



Daily Report

China

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10 June 1993

Daily Report

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CONTENTS

10 June 1993

INTERNATIONAL AFFAIRS

General

Foreign Ministry Holds Weekly News Briefing	1
On Illegal Emigration to U.S. [XINHUA]	1
Steps To Halt Illegal Migration Taken [AFP]	1
Li Peng 'Doing Well' [XINHUA]	1
On Chinese Leaving DPRK [AFP]	1
Views 'Just' Cambodian Elections [XINHUA]	2
Urges Cambodians 'Respect Results' [AFP]	2
Croatian Leader Ends Visit [XINHUA]	2
Urges UK on Hong Kong Talks [XINHUA]	2
Affirms Mongolia's Independence [ZHONGGUO XINWEN SHE]	3
On South Africa Elections [XINHUA]	3
NPC Group To Visit Latin America [XINHUA]	3
Australian Premier To Visit [XINHUA]	3
Thai Guest To Visit [XINHUA]	3
Liu Huaqiu on Upcoming Human Rights Conference [XINHUA]	3
Daily Discusses 'Contributions' to Human Rights [XINHUA]	4
Malaysian Minister Urges Dialogue at Meeting [XINHUA]	5
Zou Jiahua Receives Foreign Railway Experts [XINHUA]	6
Official Addresses Meeting on Imports, Exports [XINHUA]	6
'Roundup' Reviews Zhu Rongji's Overseas Trip [Hong Kong WEN WEI PO 7 Jun]	6
U.S. 'Concern' Over Japanese Loan to Iran [XINHUA]	7
U.S. Names Walter Mondale Envoy to Japan [XINHUA]	8
NATO Plans Air Cover for UN in Bosnia [XINHUA]	8

United States & Canada

Vice Consul Says China To Accept Deportees [Beijing International]	8
Daily Carries XINHUA Report on Prison Labor [CHINA DAILY 9 Jun]	9
U.S. Businessman Becomes Business Council Head [XINHUA]	9
U.S. Pension Fund Managers on China's Market [XINHUA]	9
U.S. Paper Reports 'Racial Discrimination' [XINHUA]	10

Central Eurasia

Beijing, Moscow Sign Municipal Cooperation Pact [XINHUA]	11
Yeltsin Proposes Arbitration Commission [XINHUA]	11
Khasbulatov's Conditions for Rejoining Assembly [XINHUA]	11

Northeast Asia

Government Probes Slaying of 3 Japanese Tourists [Tokyo KYODO]	12
Li Lanqing Receives Japanese Entrepreneurs [XINHUA]	12
Mongolia Reelects Orchirbat as President [XINHUA]	12

Southeast Asia & Pacific

Beijing Receives Brunei Foreign Minister [XINHUA]	13
Qian Qichen Meets Minister [XINHUA]	13
Li Ximing Meets Thai Anticorruption Delegation [XINHUA]	14
Wei Jianxing Receives Group [XINHUA]	14

Luo Gan Receives Philippine Delegation [XINHUA]	14
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West Europe

Shandong Economic Group Leaves for Scandinavia [Jinan Radio]	14
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East Europe

Croatian President Tudjman Visits Xian 9 Jun [Xian Radio]	15
Luo Gan Receives Romanian Delegation [XINHUA]	15
PRC-Hungarian Trade Recovers 'Remarkably' [XINHUA]	15

NATIONAL AFFAIRS

Political & Social

Fuzhou Campaign Targets 'Illegal Emigration' [ZHONGGUO TONGXUN SHE]	16
Commentary Warns on Separatist Forces in Tibet [Lhasa Radio]	16
Fight for Shanghai Dissident's Release To Continue [AFP]	17
Article Argues for Right to Subsistence [RENMIN RIBAO 31 May]	17
Ways to Curb Law Breaking by Officials Probed [FAZHI RIBAO 23 May]	22
Commentary Urges Rural Cadre Improved Work Style [RENMIN RIBAO 4 Jun]	24
Xu Weicheng To Be Relieved of Propaganda Post [Hong Kong MING PAO 9 Jun]	25
Report on Leaders' Activities 12-27 May [Beijing TV, etc]	26
Playwright Visited by Jiang, Li Peng Personnel Before Death [XINHUA]	27

Military

Chi Haotian Interviewed on Building Reserve Forces [Beijing Radio]	28
Reserve Forces Expand Amid Reform, Opening [XINHUA]	28
Liu Huaqing, Other PLA Leaders Attend Soiree [XINHUA]	29

Economic & Agricultural

Regions Said Resisting Efforts To Cool Economy [Hong Kong SOUTH CHINA MORNING POST 10 Jun]	29
Article Views Deng's Ideas on Building SEZs [GUANGMING RIBAO 25 May]	30
Beijing Hosts National Seminar on GATT [RENMIN RIBAO 5 Jun]	33
Socialist Market Economy Making 'Great Progress' [XINHUA]	33
Li Lanqing, Wu Yi Address Trade Teleconference [XINHUA]	33
Urge Efforts To Boost Exports [CHINA DAILY 9 Jun]	34
Li Yining Urges Faster Financial Reform [Hong Kong TA KUNG PAO 8 Jun]	34
State To Allow Foreigners To Rent Enterprises [XINHUA]	35
'Huge Amount' of Funds Sought for Steel Project [CHINA DAILY 10 Jun]	36
Shanghai Auto Firm Holds Technology Import Fair [XINHUA]	36
Official Says New Rules To Govern Futures Markets [XINHUA]	37
Report on Stock Company Scam, Culprit Arrest [Hong Kong WEN WEI PO 8 Jun]	37
More on New Light Industry, Textile Councils	38
Light Industry Council Founded [XINHUA]	38
Textile Council Begins Business [XINHUA]	38
Zou Jiahua, Others at Electronics Ministry Inaugural [ZHONGGUO XINWEN SHE]	39
Zou, Hu Qili Address Ceremony [XINHUA]	39
Hu on Electronics Industry Development [ZHONGGUO XINWEN SHE]	40
Remarks on Creation of Ministry [Beijing TV]	40
Shandong Power Industry To Try Shareholding [Jinan Radio]	41
May Oil Production Grows; Oil Exports Decrease [XINHUA]	41
Ministry Plans Upgraded Food Hygiene Inspection [XINHUA]	42
State Issues Circular on Silkworm Production [XINHUA]	42
State Launches Plan To Clean Up Rural Industry [CHINA DAILY 9 Jun]	43
Minority Areas See 'Big Surge' in Development [XINHUA]	43
Chen Junsheng Addresses Poverty Alleviation Group [XINHUA]	44

Chen Junsheng Speaks on Flood Control Tasks [XINHUA]	44
Correction to Official on 'Excessive' Growth	45

REGIONAL AFFAIRS

East Region

Article Urges Accelerating Anhui's Economy [ANHUI RIBAO 19 May]	46
Anhui Opens High Technology Commercial Market [XINHUA]	47
Anhui Prepares Against Possibility of Flooding [XINHUA]	47
Zone Speeds Development in Jiangsu's Rugao City [XINHUA]	47
Jiangsu Commentary on Shifting Peasants' Burdens [Nanjing Radio]	48
Shandong Official Discusses Agricultural Taxes [Jinan Radio]	48
Shandong Approves Expressway to Hebei [Jinan Radio]	49
Report on Shanghai's Foreign-Funded Enterprises [XINHUA]	49

Central-South Region

Hubei Secretary Inspects Minority Prefecture [Wuhan Radio]	49
Hubei Governor on Improving Monetary Situation [Wuhan Radio]	50
Hubei Issues Circular on State Treasury Bonds [Wuhan Radio]	51

North Region

Hebei Governor Lists Higher Development Goals [Hong Kong SOUTH CHINA MORNING POST 10 Jun]	51
Wang Qun Addresses Inner Mongolian Congress [NEIMENGGU RIBAO 14 May]	52

PRC MEDIA ON TAIWAN AFFAIRS

Jiangsu Officials Apprehend Taiwan 'Spy' [Nanjing Radio]	55
Security Official Comments [Nanjing Radio]	55

HONG KONG & MACAO

Hong Kong

Hu Jintao, Lu Ping Meet Hong Kong Youth Group [XINHUA]	56
Lu Cites UK's 'Tricks' [Hong Kong WEN WEI PO 10 Jun]	56
Editorial: PRC 'Sincerity' Not 'Weakness' [Hong Kong WEN WEI PO 10 Jun]	57
Liaison Group Meetings To Resume Late Jun [AFP]	58
Local PRC Official on Court of Final Appeal [Hong Kong WEN WEI PO 10 Jun]	59

General

Foreign Ministry Holds Weekly News Briefing

On Illegal Emigration to U.S.

OW1006101793 Beijing XINHUA in English 1009
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—The Chinese Government is always opposed to illegal emigration, said a Chinese Foreign Ministry spokesman here today.

He said this at a press conference here today while commenting on a report that a cargo ship stranded recently at a beach of New York with more than 300 Chinese on board.

Among them, eight were dead and the survivors were detained by the local police, according to the report of the west media.

He said the Chinese Government is concerned very much about the problems happened to its citizens overseas.

However, he reiterated that the Chinese Government always opposes illegal emigration.

"We are working hard on the investigation," Wu said. "If there were death and injury, we will contact the U.S. side to deal with the aftermath and carry out necessary rescuing.

"We hope the U.S. side will offer cooperation," he said.

As for the illegal emigration problem, he said that the Chinese Government is always opposed to the activity, and had already taken a series of measures to prevent it, including severely punishing people who had organized the smuggling of illegal emigrants, he added.

"But illegal emigration has become an international issue," Wu noted, explaining that some organizations dealing with it are based overseas.

"We are ready to work with other countries concerned to jointly tackle the issue," Wu said.

Steps To Halt Illegal Migration Taken

HK1006094093 Hong Kong AFP in English 0924 GMT
10 June 93

[Text] Beijing, June 10 (AFP)—The Chinese Government said Thursday it had taken steps to curb illegal emigration and that it wanted to cooperate with foreign countries to end the phenomenon, especially the United States. "The Chinese Government always opposes illegal immigration and has actually taken a set of measures to crack down on the smuggling of people," Foreign Affairs Ministry spokesman Wu Jianmin said at a weekly press conference.

He said the measures included increasing identity checks in the provinces most affected, reinforcing the fight

against traffickers—especially by increasing sea patrols—and educating the population on immigration law. "Illegal emigration is an international issue. We hope to work in collaboration with other countries to tackle it," he said, adding that some of the rings organizing the traffic were based abroad.

Echoing comments made Tuesday [8 June] by the Chinese Consulate in San Francisco, Wu said "granting political asylum has encouraged illegal emigration." Illegal emigration from China's southeast coastal areas, especially Fujian Province, has sharply increased since the beginning of the year.

Eight Chinese drowned Monday as a ship carrying more than 200 illegal immigrants ran aground off New York.

More than 1,800 illegal Chinese would-be immigrants have been arrested since the beginning of the year trying to enter the United States.

Li Peng 'Doing Well'

OW1006081593 Beijing XINHUA in English 0756
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Chinese Premier Li Peng is doing well with his recovery, and he will receive Malaysian Prime Minister Datuk Sri Mahathir bin Mohamed personally during his upcoming visit to China.

This was announced by Chinese Foreign Ministry spokesman Wu Jianmin at a weekly press conference here this afternoon.

When asked if Li will preside over the welcoming ceremony in honor of Mahathir, hold talks with him or Mahathir will just visit Li in hospital, Wu said that Mahathir will not visit premier Li in hospital.

Wu also indicated that Premier Li will meet with Australian Prime Minister Paul Keating, who is scheduled to visit China later this month.

On Chinese Leaving DPRK

HK1006124093 Hong Kong AFP in English 1213 GMT
10 June 93

[Text] Beijing, June 10 (AFP)—China has not received any request to withdraw its nationals from North Korea before June 15, Foreign Ministry spokesman Wu Jianmin said Thursday [10 June]. "We have received no such notification," he told a weekly press briefing.

Earlier this week Japan's KYODO News Agency said North Korea had ordered all foreigners, apart from diplomats, to leave the country before June 15, three days after Pyongyang's formal withdrawal from the Nuclear Non-proliferation Treaty (NPT) comes into effect. The Japanese Foreign Ministry said it was aware of the "rumours" but could not confirm the information.

North Korea announced in March it was withdrawing from the NPT following the International Atomic Energy Agency's insistence on inspecting suspect nuclear sites north of Pyongyang. North Korea is thought to be trying to develop a nuclear weapons capability. Its formal withdrawal from the NPT goes into effect Saturday [12 June]. But last ditch talks are currently underway in New York between U.S. and North Korean officials aimed at persuading Pyongyang to change its mind. A fresh round was being held Thursday.

So far all pleas by the international community have been rejected by Pyongyang. China, which shares a border with North Korea, remains the country's main ally but has distanced itself from Pyongyang since it established diplomatic relations with South Korea in August last year.

Views 'Just' Cambodian Elections

OW1006101393 Beijing XINHUA in English 0945 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—A Chinese Foreign Ministry spokesman said today that the results of the recent general elections in Cambodia should be fully respected.

Spokesman Wu Jianmin made the remark at a weekly press conference this afternoon, when asked to comment on UNTAC's (UN Transitional Authority in Cambodia) announcement that the election was free and fair and its just results accurately reflects the will of the Cambodian people.

"We have taken note of the announcement on the election results, which was made by Mr. Yasushi Akashi on behalf of the UN secretary general," Wu said. "The results of the elections in Cambodia should be fully respected."

He expressed hope that the parties concerned in Cambodia will set store by their overall national interests and work under the leadership of Prince Norodom Sihanouk to achieve national reconciliation and join hands in seeking peace, stability and reconstruction of the country.

Urges Cambodians 'Respect Results'

HK1006085293 Hong Kong AFP in English 0845 GMT 10 June 93

[Text] Beijing, June 10 (AFP)—China on Thursday called on Cambodian factions to respect results from general elections last week and unite around Prince Norodom Sihanouk. "The results of the election in Cambodia should be fully respected," Foreign Ministry spokesman Wu Jianmin said at a weekly press conference. "We hope the parties concerned in Cambodia will set store by the national interest and work under the leadership of Prince Sihanouk to achieve the national reconciliation," Wu added.

The call came as Phnom Penh Prime Minister Hun Sen and U.N. officials said in the Cambodian capital that six provinces in Cambodia had seceded. Hun Sen, head of the Vietnam-installed government party which has contested the election results since they showed it losing, said the six provinces "decided to secede and to reject the result of the elections."

The royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party of Sihanouk's son Prince Ranariddh came in as the largest vote-getter in the May 23-28 polls with around 45 percent. Former Beijing proteges the Khmer Rouge, who were chased out of power in early 1979 by a Vietnamese invasion, boycotted the elections.

The United Nations, which organized and ran the elections with thousands of peacekeepers, confirmed Thursday the results and rejected Phnom Penh's charges of election irregularities.

Meanwhile reports from Kompong Cham quoted witnesses as saying that some 600 government soldiers had attacked FUNCINPEC offices and surrounded a U.N. building. No other details were available.

Prince Sihanouk is chairman of the Supreme National Council which groups the various main factions and is viewed as Cambodia's head of state.

Croatian Leader Ends Visit

OW1006085293 Beijing XINHUA in English 0839 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Croatian President Franjo Tudjman left for home today ahead of schedule owing to the latest developments in Bosnia-Herzegovina, a Chinese Foreign Ministry spokesman said at a weekly press conference here today.

He said that President Tudjman had completed the major part of his programs in China including a tour of Xian.

Some members of the president's delegation will continue their visit in China, the spokesman said.

Urges UK on Hong Kong Talks

OW1006091293 Beijing XINHUA in English 0858 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—The British side must stop making statements or taking actions which may disturb or undermine the ongoing Sino-British talks concerning the arrangement of the 1994-95 election in Hong Kong, a Chinese Foreign Ministry spokesman said here today.

Spokesman Wu Jianmin said this at a weekly press conference when asked to comment on the recent announcement by the British-Hong Kong authority to merge the boards of Hong Kong's Yau Tsim and Mongkok districts.

Affirms Mongolia's Independence

HK1006133793 Beijing ZHONGGUO XINWEN SHE
in Chinese 1158 GMT 10 Jun 93

[Excerpt] Beijing, 10 Jun (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Wu Jianmin has stated that China has always respected Mongolia's independence and sovereignty and is willing to further develop good-neighborly and friendly relations between China and Mongolia on the basis of the Five Principles of Peaceful Coexistence.

Wu Jianmin made the above statement while commenting on a book that has been published in China which questions Mongolia's independence. Wu said that China had already made its position clear to Mongolia; specifically, that the book only represents the personal views of the author and does not reflect the position of the Chinese Government. [passage omitted]

On South Africa Elections

OW1006102193 Beijing XINHUA in English 1010
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—A Chinese Foreign Ministry spokesman today called the setting of the date for general elections in South Africa "a significant achievement" of the multi-party negotiations in the country.

Spokesman Wu Jianmin made the remark at a weekly press conference this afternoon, when asked to comment on the fact that the negotiations have set temporarily April 27 next year as the date for holding general elections in South Africa.

Wu expressed hope that the various sides in South Africa will make continued efforts to overcome all the difficulties for a smooth conduct of the elections and establish at an early date a united and democratic new South Africa where all the ethnic groups are equals.

NPC Group To Visit Latin America

OW1006083393 Beijing XINHUA in English 0813
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) headed by Chen Muhua, vice chairman of its standing committee, will pay a goodwill visit to the Union of Mexico, Barbados, Guyana and Suriname from June 17 to July 10.

This was announced here this afternoon by a Chinese Foreign Ministry spokesman at a weekly press conference.

The delegation will make the trip at the invitation of the Senate of Mexico, the Parliament of Barbados, the National Assembly of Guyana and the Parliament of Suriname, the spokesman said.

Australian Premier To Visit

OW1006080093 Beijing XINHUA in English 0750
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Paul J. Keating, prime minister of Australia, will pay an official visit to China from June 23 to 27 at the invitation of Chinese Premier Li Peng.

This was announced here today by a Chinese Foreign Ministry spokesman at a weekly press conference.

Thai Guest To Visit

OW1006083793 Beijing XINHUA in English 0826
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Somodet Phra Nyanasamvara [name as received] of Thailand will pay an official visit to China from June 20 to July 2 at the invitation of the Chinese Government, a Chinese Foreign Ministry spokesman announced here today at a weekly press conference.

Liu Huaqiu on Upcoming Human Rights Conference

OW1006105693 Beijing XINHUA in English 1038
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—China, together with other developing countries, places great hope on the world conference on human rights and wishes that the meeting will redress deviations in the field of human rights and contribute to the promotion of enjoyment of human rights by all peoples.

These remarks were made by Liu Huaqiu, Chinese vice-foreign minister who will lead a 27-member government delegation to attend the conference scheduled on June 14 in Vienna.

In an interview with XINHUA, Liu said that the conference is held after drastic changes in international situation have taken place. It will sum up the experience of the international community in the protection of human rights and define correct guidelines for future work in accordance with the new changes. "In this sense," he said, "the conference will serve as a link between the past and future."

He said the United Nations, with concerted efforts of the member states, has done a great deal of work in the field of human rights over the past 40 years in line with the purposes and principles underlined in the UN Charter.

Liu summed up the past UN efforts as: Opposing mass and gross violations of human rights resulting from racism, racial discrimination, colonialism, foreign aggression and occupation; safeguarding national self-determination of small countries; promoting the enrichment and expansion of the concept and scopes of human

rights; affirming development as an inalienable human right; and protecting the basic rights of those most vulnerable social groups.

However, he said, various abnormal practices left over by the "Cold War" between the East and West have not been totally eliminated. The tendency of making ideologically-based issues has aggravated. And the erroneous practices such as cutting apart the concept of human rights and exercising double criteria have not been redressed seriously.

Furthermore, normal international co-operation in the field of human rights has been seriously hindered by some countries which show no respect for the sovereignty of other countries, try to use the human rights issue to serve certain political interests and interfere into the internal affairs of other countries.

On the final document of the upcoming world human rights conference, Liu said that the fourth preparatory meeting which concluded not long ago has worked out a draft, but differences remain.

He said the Chinese Government holds that the conference should mainly aim to enhance international cooperation and harmony, understanding and respect among all member states in the field of human rights.

The vice-minister said the conference should reflect views of countries with different political, economic and social systems as well as different historical, religious and cultural background. It should also act in line with the spirit of seeking common grounds while preserving differences, and mutual respect, understanding, cooperation and inspiration.

Meanwhile, he said, the conference should pay close attention and help to solve problems in mass violations on human rights and clear away obstacles for developing countries to fully realizing their rights of development and basic freedoms.

The Chinese Government holds that the working of the final document should draw opinions and suggestions from various sides, particularly the positive contents of the "Bangkok Declaration", "Tunis Declaration" and "San Jose Declaration" adopted at the three preparatory meetings in Asia, Africa and Latin America.

He said that the document should reflect various views, especially the understanding and concerns of the developing countries, the majority of all nations in the world, and demonstrate the spirit of promoting the protection of human rights through international cooperation.

Asked whether the serious differences on some important issues between the Western countries and the developing countries shown during the preparatory meetings would affect the coming conference, Liu Huaqiu said that it is natural and a reality that different countries have differing understandings on the human rights issue as they are different in historical, cultural and social conditions.

However, he said, such differences should not impede the smooth progress of the conference as long as each country acts on the principles of equality, mutual respect and seeking common ground while preserving differences without pressing its own views on others.

Liu said China respects the basic principles of the UN Charter and world human rights declaration. China is willing to actively participate in the international exchanges and cooperation in the field of human rights as well as the activities of the United Nations in this field.

China has signed eight international human rights conventions and has fulfilled its obligations. China is willing to strengthen exchanges and cooperation with other countries so as to make its due efforts and contributions to the promotion and protection of human rights in the international community and realization of enjoyment of basic human rights by all peoples in the world, the vice-minister said.

Daily Discusses 'Contributions' to Human Rights

*OW1006130593 Beijing XINHUA in English 1231
GMT 10 Jun 93*

[Text] Beijing, June 10 (XINHUA)—China appreciates and supports the purpose of the United Nations of promoting and protecting human rights as laid down in its charter, and has made positive contributions to it, said a signed article published in the leading Chinese newspaper "THE PEOPLE'S DAILY" [RENMIN RIBAO] today.

The article, entitled "China's Contributions to The International Community's Activities for Protecting and Promoting Human Rights," said that China has sent its observers to attend sessions of the UN Human Rights Commission since 1979.

Since 1981, China has sent representatives to the working groups for drafting a series of international human rights documents, including "The Declaration on the Right to Development," "The UN Convention on the Rights of Children," "The International Convention on the Protection of the Rights of all Migrant Workers and Their Families," and "The Declaration on the Protection of Rights of Persons Belonging to National, Ethnic, Religious and Linguistic Minorities."

China's proposals and amendments submitted at these working groups attracted attention from various sides and many of them were incorporated into the documents adopted.

Thus far China has acceded to eight international conventions on human rights, including "The Convention on the Prevention and Punishment of the Crime of Genocide," "The Convention Relating to the Status of Refugees," "The International Convention on the Elimination of all Forms of Racial Discrimination," and

"The Convention on the Elimination of all Forms of Discrimination Against Women."

China has conscientiously fulfilled its duties under the conventions it has signed, submitted its reports of progress as required, and sincerely cooperated with the conventions' supervisory organs.

Experts recommended by China have been re-elected members of the committees on the elimination of racial discrimination and the elimination of discrimination against women. The Chinese members have contributed their share to the implementation of the conventions by their signatories.

On November 1, 1991, China, in "The White Paper on Human Rights in China" issued by the information office of the State Council, advanced formally for the first time the right to subsistence, a new concept about human rights. The white paper said "for any country or nation, the right to subsistence is the most important of all human rights, without which the other rights are out of question." And in order to secure the right to subsistence, the first thing to do is to win and safeguard the right to national independence, on the basis of which to develop the economy, so as to give the people the basic guarantee for their life.

China has always been opposed to apartheid and any other form of racial discrimination. It condemns South Africa's apartheid and its persecution of and discrimination against the black people and supports the people's just struggle against racism in southern Africa.

Every year China donates to the UN Trust Fund for South Africa.

China speaks highly of and supports the two ten-year programs initiated by the UN to combat apartheid and racial discrimination.

China always supports the people's struggle against foreign aggression and occupation.

When China attended the UN Human Rights Commission meeting for the first time in 1982, it spoke for the Palestinian people's demand for returning to their homeland and the Arab peoples' demand for the return of the Israeli-occupied territories.

As for the just struggles against foreign aggression, occupation and domination in Cambodia, Afghanistan and elsewhere, China has given them strong support as well.

China has appealed to all participants in the UN human rights activities to conduct equitable international exchange and cooperation and avoid mutual accusations and attacks in safeguarding and promoting human rights, in accordance with the UN Charter calling for closer international cooperation in solving world economic, social, cultural and welfare issues and advancing and encouraging respect for human rights and basic freedoms of all mankind irrespective of race, sex, language and religious belief.

China has together with other developing nations put up strong resistance to the practices of hegemonism and power-politics in using human rights as an instrument to bully other nations and to impose their political systems and values on them.

In recent years, some Western nations have submitted three motions at meetings of the UN Human Rights Commission to slanderously accuse China of violating human rights. China, however, counter-acted righteously under the support of just-minded nations, and thereby safeguarded its national sovereignty and dignity.

A world conference on human rights is to be held in Vienna, Austria, late this month. China holds that it is necessary for the international community to sum up its experience in protecting and promoting human rights over the 45 years since the adoption of the universal declaration of human rights and formulate correct policies to guide the future work. China has been taking an active part in the preparation of the conference and making its contribution to its convening.

Malaysian Minister Urges Dialogue at Meeting

OW1006060593 Beijing XINHUA in English 0539
GMT 10 Jun 93

[Text] Kuala Lumpur, June 10 (XINHUA)—Malaysian Defense Minister Najib Tun Razak said the dialogue process among regional countries including China should be encouraged in the benefit of peace and prosperity of the Asia Pacific.

"We should not allow any country to drive a wedge between regional states and China, which could result in the latter being isolated from mainstream regional politics," he said at a dinner here last night for participants of the two-day Asia Pacific Dialogue for Cooperative Peace and Security, which ends today.

"China is currently engaged in various dialogues, whether bilaterally or multilaterally," he said.

On the recent visit of Chinese Defense Minister Chi Haotian to Malaysia, Najib said: "To me, this is a good reflection of China's desire to be engaged in continuous process of achieving peace and mutual prosperity in the region."

"We should all encourage this process", whether at the official or non-governmental levels, he added.

He said he differs from Western media's assertion that "China is being made up as the new future threat to regional security".

"To me, China is currently and has every reason to continue to be a benign power," Najib said, adding: Like most other regional states, China is concentrating on developing her economy.

To a large extent, she has been successful in turning her economy to 'a vibrant and one of the fastest growing economies of the world,' he said.

"To China, her economic prosperity which is partly tied to the region is in itself a high stake for her," he emphasized.

"It has also often been highlighted in the West that the South China Sea could be the future flashpoint in the region," Najib said. However, he said, "I would like to move away from the old thinking of potential conflict and look at the South China Sea as an opportunity for cooperation and not confrontation".

Zou Jiahua Receives Foreign Railway Experts

OW1006123093 Beijing XINHUA in English 1058
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here today with the members of the board of the International Heavy Haul Association (IHHA), who are here attending the Fifth International Heavy Haul Railway Conference.

Zhou Hongye, newly-elected chairman of the IHHA board and his assistant, vice-chairman John Reoch were present at the meeting.

More than 250 Chinese and foreign railway experts participated in the five-day conference, which ended here today.

Official Addresses Meeting on Imports, Exports

OW1006084893 Beijing XINHUA in English 0830
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—The total value of China's imports during the Eighth Five-Year Plan period (1991-1995) is expected to surpass 350 billion U.S. dollars, a Chinese foreign trade official said here today.

Addressing the opening session of the 10th Pan-Pacific Conference on Business, Economic and Technological Exchange, Shi Guangsheng, Chinese vice-minister of foreign trade and economic cooperation, said that China's high rate of economic growth and the speeding up of the construction of infrastructure and basic industries will offer foreign businessmen more opportunities to enter the Chinese market.

"China's basic foreign trade policy is to boost its imports and exports while keeping a general balance of imports and exports," he said.

"Our imports policy, based on the principle of GATT, is to push China's domestic market more open to the world while protecting its young national industries," the Chinese official said.

Speaking about the resumption of China's GATT status, he said that the Chinese Government attaches great importance to the issue.

"The Chinese Government has made it clear on a number of occasions that China will certainly commit itself to the obligations of GATT after its GATT status is resumed," he said.

Shi pointed out that China's GATT status must be resumed immediately. "I think it is unwise to exclude an economic rapidly-developing country which has a huge potential market from this international economic organization."

About 600 foreign and Chinese businessmen and researchers have come to attend the three-day meeting which has been organized by the State Science and Technology Commission, the Chinese Ministry of Foreign Trade and Economic Cooperation, and the Pan-Pacific Business Association.

'Roundup' Reviews Zhu Rongji's Overseas Trip

HK0906003293 Hong Kong WEN WEI PO in Chinese
7 Jun 93 p 1

["Roundup" by resident special correspondent in Mexico City He Chi (0149 3217): "China's Important Blueprint for North America—Vice Premier Zhu Rongji Visits Mexico"]

[Text] Mexico City, 6 Jun (WEN WEI PO)—Since the Chinese Ministry of Foreign Affairs made the announcement in early May that Vice Premier Zhu Rongji was to visit Canada, Mexico, and Brazil, quite a few world analysts believed that the visit was China's strategic measure in strengthening ties with various economic groups in the world to realize economic pluralism and trade in China and an important blueprint for China's diplomatic strategic chess board.

Mexico's Important Position in North America

Over the past two years, China's swift "economic take-off" from a new level with strong momentum has aroused world attention. China's economy is advancing toward the world with big strides and is playing an increasingly important role in the world economy, especially in the Asia-Pacific economy, which has its own unique vitality and formed a sharp contrast with the economic recession under way in major Western countries, including the United States and Japan. This being the case, Vice Premier Zhu Rongji, who has the great responsibility of being in charge of China's economic development, has precisely captured the attention of the world through his visit to Canada and Mexico, of the North American Free Trade Association, and Brazil, the "locomotive country" in South America and a Latin American economic power.

Mexico is an important economic power in Latin America. Many Latin American countries regard Mexico as a bridge for their trade products entering the North American Free Trade Association, whereas Japan and the EC countries regard it as an inevitable road to enter the U.S. market in a roundabout way. From China's

angle, strengthening its political, economic, and trade relations with Mexico is of important and far-reaching significance. Vice Premier Zhu Rongji achieved successes in his recent 21 to 27 May Mexico visit. Just as was indicated by Zhu Rongji in his speech delivered in Mexico: "Both China and Mexico are large countries along the Pacific coast and belong to the Third World. The two sides have many common interests, especially today when each country is focusing its efforts on developing its own economy, and strengthening Sino-Mexican bilateral cooperation not only conforms with the fundamental interests of the peoples of the two countries but is also conducive to the peace and stability of the region. There are no fundamental interest conflicts between our two countries; even when there are some minor differences between us, they can be appropriately settled through friendly negotiations. The foundation of Sino-Mexican cooperation with its mutual benefit is solid, with great potential and bright prospects." "The impressive manner of a great country and the Chinese Government is deeply admired by its Mexican counterpart." While meeting Zhu Rongji, Mexican President Salinas said: "I am particularly happy about Mr. Vice Premier's visit at the invitation of the Mexican Government. The relations between Mexico and China are very important; they have a strategic significance and will stand the test."

Zhu Rongji's Visit Has Dispersed Dark Clouds

As everyone knows, the Mexican Government adopted extremely harsh measures regarding Chinese products by levying an antidumping tax earlier this year, causing an "earthquake" in the arena of Sino-Mexican trade; consequently, related trade workers of both sides had great anxiety and were at a loss. In early May, several hundred illegal emigrants from China's Fujian Province intruded into Mexico; the Mexican authorities had to hold them in custody and repatriate them, causing Mexico great trouble. Those two unhappy events for a time cast a cloud over Sino-Mexican relations. It was at such a time that Vice Premier Zhu Rongji visited Mexico with a strategic vision from a high position, to conduct friendly consultations and sincere cooperation to handle Sino-Mexican relations with a positive attitude; as a result, the two sides have deepened their understanding, with friendliness and cooperation being promoted. His visit was like a fresh wind dispersing the dark clouds. During his stay in Mexico, Vice Premier Zhou met, talked, and negotiated with Mexican President Salinas, speakers of the Mexican Senate and Chamber of Deputies, the secretary of foreign relations, secretary of the interior, and Mexican entrepreneurs. Vice Premier Zhu expressed optimism in the further development of bilateral relations. He said: "Through meetings and contacts with Mexican Government officials and personalities from various circles, I think that Mexico has many experiences China can use as references in reform and development" and "there is great potential for bilateral cooperation. Solana, Mexican secretary of foreign affairs, said that the situation required us to transcend the phase of mutual understanding between the two countries and

enter the substantial phase of augmenting exchange and developing projects in cooperation. I am all for this concept."

Mexico Faces Asia, Pacific

With China's reform and opening up, Sino-Mexican economic and trade relations have rapidly developed and the bilateral trade volume increased from \$170 million in 1988 to \$271 million in 1992; of this, China's export volume to Mexico rose from \$13 million in 1988 to \$157 million in 1992. The great vitality of China's economic development and its vast potential market have attracted Mexican personalities from the commercial, trade, and enterprise circles. At the luncheon party in honor of Premier Zhu Rongji, Mr. Lopez Paredo [3157 0160 2448 1572 7191 1122], chairman of the Mexican Committee for Entrepreneurs in International Affairs, said what was in their minds. He said: "Beyond a doubt, the possible high rate growth in China during the next few years will make China one of the countries with the greatest vitality in the world's economy. Mexican figures from the commercial and trade circles are inspired by the prospects. We propose that the two governments formulate special cooperative plans for investment and joint ventures." In commenting on the prospects of the economic and trade development between the two countries, the Mexican press said that as "an economically weak nation" in the North American Free Trade Association, Mexico must implement the "strategy of pluralism in economy and trade" which President Salinas had set to overcome the tremendous competitive pressure from the North and maintain its own economic independence. Mexico should face not only the North, but also the South, Europe, and the Asia-Pacific region, especially the Asia-Pacific region. This newly rising economic region would instill vitality in Mexico's economy, which is advancing toward the world's economy. It is believed that at a time when great changes have taken place in the world situation, China and Mexico, enjoying sound political and diplomatic relations and great potential in their economic and trade relations, will gradually open up a new situation in economic and trade cooperation.

U.S. 'Concern' Over Japanese Loan to Iran

OW0906165193 Beijing XINHUA in English 1557
GMT 9 Jun 93

[Text] Washington, June 9 (XINHUA)—The U.S. Administration has expressed concern to the Japanese Government over a 360-million-dollar loan to help Iran build an electric-generating plant, it was reported here today.

The resumption of Japanese aid to Iran comes as the United States is increasing pressure on its allies to isolate Tehran because of alleged its funding and arming of terrorists and its efforts to develop nuclear weapons, according to THE LOS ANGELES TIMES. [sentence as received]

But Japan has told the U.S. Administration that the load was under consideration as a means of moderating Iranian behavior, the newspaper said.

Iran is viewed as hostile to U.S. interests. "We have made isolating Iran a high priority," a U.S. Administration official was quoted as saying.

Administration officials also warned the Japanese and others providing loans to Iran and selling them goods that they risk not being repaid because Iran is 5 billion dollars behind in payments on 25 billion dollars in loans obtained in the last four years.

The newspaper said that since 1989, Japanese imports of Iranian oil had increased 251,000 barrels a day to 361,000 barrels a day last year.

As a result, the newspaper added, there was strong pressure on the Japanese Government to resume aid to Iran, which was suspended in 1976.

U.S. Names Walter Mondale Envoy to Japan

OW0906224993 Beijing XINHUA in English 1635 GMT 9 Jun 93

[Text] Washington, June 9 (XINHUA)—The U.S. Administration has named former Vice President Walter Mondale the new ambassador to Japan, it was reported here today.

The appointment is seen as a way of keeping tension between the two countries from getting out of hand, according to THE WALL STREET JOURNAL.

The Clinton administration has unveiled a broad and get-tough agenda for trade talks with Japan.

The U.S. wants Japan to agree to a series of five parallel talks over everything from computers to wood products, the newspaper said.

But the U.S. doesn't want to press Japan so hard that the Japanese Government rejects U.S. demands.

The appointment of a former U.S. vice president as ambassador undoubtedly will appeal to the Japanese finely-tuned sense of prestige, the newspaper claimed.

It was also reported that Mondale has accepted President Clinton's nomination.

NATO Plans Air Cover for UN in Bosnia

OW0906225093 Beijing XINHUA in English 2037 GMT 9 Jun 93

[Text] Athens, June 9 (XINHUA)—The alliance's Secretary General Manfred Woerner said today that the NATO would take over the task of providing air cover to protect the United Nations' peacekeeping forces.

Woerner is attending a two-day NATO foreign ministers meeting in Athens.

The chief of the North Atlantic alliance explained that, in accordance with U.N. Security Council Resolution 836, six safe areas will be provided for the protection for Bosnian Muslims.

He said that "NATO would mostly likely take over this operation and I predict that many of its members will participate."

The United States would be the main contributor in this operation but not the only one, Woerner indicated.

NATO has already been enforcing a no-fly zone over Bosnia, with planes provided by the United States, France, the Netherlands and Turkey.

United States & Canada

Vice Consul Says China To Accept Deportees

OW1006055293 Beijing China Radio International in Mandarin to Asia 0900 GMT 9 Jun 93

[From the "News" program]

[Text] Speaking at a news conference on the afternoon of 8 June, (Wu Hongqiao), vice consul general of the Chinese General Consulate in New York, reiterated that the Chinese Government firmly opposes illegal immigration and hopes concerned countries will cooperate with China to stop it.

(Wu Hongqiao) said: According to U.S. officials, 281 people illegally landed on New York's Rockaway beach on board the Golden Venture, and eight of them drowned. All the illegal immigrants were without identification documents. So far, the United States has not been able to identify the nationality of the ship, although they understand that some of the crew is from Indonesia.

He said: The Chinese General Consulate in New York will continue to maintain contact with the U.S. departments concerned. Now that it has been confirmed that the illegal immigrants are Chinese citizens, China is ready to accept their deportation.

In response to a question whether the illegal immigrants will be punished after they are sent back to China, the vice consul general said: The key criminal elements will be punished by law, and ordinary citizens who are the victim of deception will be educated to obey Chinese and foreign laws.

In response to a question on the illegal immigrants' demand for political asylum, (Wu Hongqiao) pointed out: If the countries concerned grant these immigrants so-called political asylum, this would be tantamount to encouraging illegal immigration and human smuggling. He hoped the countries concerned stop such moves.

Daily Carries XINHUA Report on Prison Labor

HK0906074093 Beijing CHINA DAILY in English
9 Jun 93 p 1

[Unattributed report by staff reporter: "U.S. Prison Goods are Exported Paper Says"]

[Text] Hong Kong (XINHUA)—Wen Wei Po, a Hong Kong-based newspaper, recently published an article criticizing a South China Morning Post report on China's "continuing export of prison-made goods."

The article, entitled "Prison-Made Goods and Power Politics of the U.S.," also pointed out that U.S. authorities groundlessly criticize China for exporting prison-made products while they themselves sell such products abroad.

"This is U.S. power politics, pure and simple," said the article.

Published on June 4, the article said while the Chinese Government time and again reiterates its stand of forbidding the export of prison-made products, the South China Morning Post, an English newspaper based in Hong Kong, carried a report on May 20 slandering China for "continuing to export prison-made goods."

The Post report quoted Harry Wu, "director" of the U.S.-based "Laogai Research Foundation," as saying in Washington that they "found that the Chinese were changing factory names of prisons and changing product brand names to skirt U.S. laws" and "continued to export to the States."

The front-page report was unsigned and carried no news agency credit, Wen Wei Po noted.

Wen Wei Po also carried a "catalog of products and services" from the California Prison Industry Authority (PIA), in which prison-made products are listed for export.

According to PIA, it administers 27 manufacturing, seven agricultural and four service enterprises.

PIA declares in its catalog that it not "only provides goods and services for public use, it also saves the taxpayer money," and "purchases may be made by foreign governments, corporations for distribution in foreign countries, and private persons or their agents in markets outside of the United States and in countries which permit the importation of prison made goods."

The PIA product catalog published by Wen Wei Po consists of a multitude of items, ranging from bedding, such as bedspreads, mattresses, pillows and covers, clothing and textiles, including safety clothing, sports wear, underwear and socks, casual wear, outerwear and clothing with silk screening, to detergents, including disinfectants, laundry, dishwashing and janitorial supplies, fiberglass, furniture, food products, kitchen equipment, shoes, boots and gloves, lockers and stationery products.

The Wen Wei Po article asked the small number of anti-China Congressmen in the U.S. and those who try to damage China's reputation and attempt to obstruct the extension of China's most favoured nation trading status to ban the export of prison-made goods themselves and report on and criticize U.S. violations of human rights.

U.S. Businessman Becomes Business Council Head

OW1006060893 Beijing XINHUA in English 0520
GMT 10 Jun 93

[Text] Washington, June 9 (XINHUA)—Maurice Greenberg, chairman of the American International Group, Inc. (AIG), has been appointed chairman of the United States-China Business Council.

The council, an association founded in 1973 representing U.S. companies with business interests in China, has more than 200 member companies nationwide and has offices in Washington and Beijing.

Greenberg is a well-known business leader active in a wide range of economic and public policy issues. His company, AIG, is the largest U.S.-based international insurance organization and the largest underwriter of commercial and industrial insurance in the United States.

AIG has been a member of the U.S.-China Business Council for nearly 20 years. Greenberg has long been a strong supporter of greater business ties between the U.S. and China.

He called the U.S.-China Business Council "an important resource for U.S. companies trading with and investing in China."

"China has the fastest growing economy in the world today, and the U.S.-China relationship is of great importance to both countries. Increasingly, American companies recognize that they have to be exploring opportunities to participate in the Chinese market," he said.

He promised to work closely with the U.S.-China Business Council to help broaden economic and commercial ties between the two countries.

The council has been a leading advocate of unconditional renewal of China's most-favored-nation trade status, and Greenberg and his AIG have played an active role in that effort.

U.S. Pension Fund Managers on China's Market

OW0906164193 Beijing XINHUA in English 1538
GMT 9 Jun 93

[Text] New York, June 9 (XINHUA)—U.S. pension-fund managers now view China and its robust emerging market economy as the land of opportunity, USA TODAY reports.

"China is experiencing the most amazing growth this planet has ever seen," says George Russell, chairman of pension consultant Frank Russell Co.

The chairman was just back from a Chinese tour with pension-fund managers who run a collective one trillion dollars in assets. He says there won't be anything like it until humans begin to populate another planet.

"When you go into Shenzhen, all you see is cranes," Russell says.

In the city of Shenzhen in south China, gross-domestic-product growth is running at a staggering 34 percent clip this year, while the U.S. economy will grow about 3.5 percent in 1993, the paper says.

So far, U.S. money managers have been slow to invest in China, the paper says. The reason: There are few publicly traded companies; confusing legal and accounting systems make reliable information on securities tough for outsiders to come by; and there are other risks.

Still, Russell says his team of corporate representatives and money managers left China convinced that nothing can stop the transformation to a "free-market economy" and the boom there will go on for decades. Many are looking to make direct investments in Chinese companies, especially in infrastructure areas such as electricity, water, telephones and transportation.

U.S. Paper Reports 'Racial Discrimination'

OW1006001993 Beijing XINHUA in English 2156
GMT 9 Jun 93

[Text] Washington, June 9 (XINHUA)—THE WASHINGTON POST, one of the three major U.S. newspapers, published on June 6-8 three long reports by its two staff writers, laying bare the serious racial discrimination in home lending in the Washington area.

The paper devoted part of the first page and the "separate and unequal" pages, some five whole pages in all, to the three reports, other five accompanying stories they wrote and four charts and seven photos. [sentence as received]

Through a computer-assisted study which analyzed more than 130,000 deeds of homes sold in 1985 and 1991, the POST writers found that race, not income or housing characteristics, was the decisive factor in determining home loans to black or white neighborhoods the local banks and thrifts made in the Washington area.

The black neighborhoods were defined as those where 75 percent or more of the residents were black and, similarly, white neighborhoods were those where at least 75 percent or more of the residents were white.

The reports said the home loans local banks and thrifts made to white neighborhoods were twice that to black neighborhoods in 1985 and 1991. Despite federal laws

require banks and thrifts to lend money equitably in all areas, they have not increased any in black neighborhoods.

Some areas, where lending discrimination is most pronounced, "almost never receive home mortgages from local banks and thrifts," the reports said.

The POST found that "race was a significant predictor of the number of mortgages granted: If a neighborhood is 80 percent white in the district, an average of 20 mortgages would be expected. But if the neighborhood is 80 percent black, the number of expected bank and thrift mortgages drops to seven."

For example, Chevy Chase Savings Bank, the largest among the 15 major banks and thrifts operating in the Washington area, granted 956 home loans in 1991, but only 14 went to predominantly black neighborhoods.

American Security Bank, which has all of its branches in the District and therefore collects all of its deposits there, makes almost no home loans in the city. Records show that only 10 of the 1,325 mortgages the bank granted in 1991 went to black neighborhoods.

Three other large banks did not grant a single loan in a black neighborhood in 1991, the reports said.

Asked in interviews about the POST findings and how well they are complying with the law, officials of the Washington area's 15 large banking institutions acknowledged that they make disproportionately more loans in white neighborhoods. They said that they are struggling to improve that record.

The reports said that "for the first time last year, the American Bankers Association, speaking for the industry, acknowledged that racial bias can enter into the lending process."

The reports said that "in the 1990s, discrimination has gone underground, according to housing economists." It is hidden within the decisions bankers make about who is creditworthy, within their relationships with black real estate brokers, and within bankers' decisions to grant only certain types of loans, the reports added.

Some banks refuse to make loans under 40,000 U.S. dollars, a cut-off that real estate brokers said is common. This unfairly punish minority and low-income residents looking to buy affordable homes, the POST said.

According to traditional lending standards, some banks require borrowers to put at least 10 percent down payment when trying to buy a home instead five or three percent down payment for the commitment for lower-income applicants who may have trouble saving money, the POST said.

The reports found that "minority applicants were 60 percent more likely to be denied home loans than white applicants even if they had the same credit histories and incomes."

With a steady job as a computer systems expert, a solid credit history and 30,000 dollars saved for a down payment, Errol Cox, a black, figured that he would easily get a mortgage on a three-bedroom home. But two banks refused him a loan, neither offering an explanation why.

Spencer Boyer, also a black, a senior law professor at Howard University, has a total net worth of 1.2 million dollars and an imposing home valued at nearly 400,000 dollars. But when he went to apply for a 50,000-dollar home equity loan two years ago, what he got was a form-letter rejection. "He now believes that was the result of racial discrimination," the POST said.

The newspaper said that discrimination and inequality also begin with the location of bank branches and the variety of services they provide. "Predominantly white areas have three times as many branches per resident as do black neighborhoods, and generally receive service that is far superior to that in black areas. [no closing quotation mark as received]

There are only two bank branch offices serving some 69,000 people, mostly black and poor, in ward eight in the area. Customers often are pressed against one another, standing in 20-deep in line just to cash their checks or make deposits. Across town in a largely white neighborhood, there are eight bank branches in a 1.6-kilometer stretch of an avenue. Rarely do customers stand in lines there.

While campaigning in the Washington area last summer, candidate Bill Clinton noted this, saying that there were 50 major banks in the area but only two have branches in an area and neither of them has a lending office.

Cultural prejudice and traditional home loan rules are the roots of the racial discrimination in the home lending of the banks and thrifts, the POST said, adding that only few banks are willing to acknowledge this.

If discrimination is to be eradicated, chairman of Signet Bank Robert Freeman believes, bankers must refocus their lenses and recast their molds. "We all carry thousands of pieces of baggage or bias that we've built up over a lifetime—whether it's been taught or whether it's just been assimilated, whether it's about people with bow ties or people with bows and arrows," he said.

"To wave a hand and say there shall not be any more discrimination or there shall not be any more bias is nuts," Freeman added.

In fact, the paper said, nationwide, federal regulators gave satisfactory grades or better last year to more than 99 percent of the over 9,000 banks despite the fact that the bankers' own statistics show black applicants are rejected at twice the rate of white applicants with the same income.

Some congressional leaders are pushing for new and objective standards that could require banks to make a specific number of loans in minority and low-income

areas they serve, but the prospect has angered local bankers, who said that they can't regulate that, the POST said.

But community groups, housing advocates and civil rights experts disagree. They argued that "it's been more than a decade since banks were told they had to treat everybody equally. If we don't force them to finally pay attention, it'll be another decade and we won't see any change."

Central Eurasia

Beijing, Moscow Sign Municipal Cooperation Pact
OW0906165093 Beijing XINHUA in English 1601 GMT 9 Jun 93

[Text] Moscow, June 9 (XINHUA)—A cooperation accord for 1993-1994 between their two cities was signed here today by the major of Moscow, Yuriy Luzhkov and the mayor of Beijing, Li Qiyang. The Chinese ambassador, Wang Jinqing, was among those attending the ceremony.

Under the agreement, the two cities will cooperate in the fields of economy, trade, culture, sport, urban construction and science and technology.

Yeltsin Proposes Arbitration Commission
OW0906164393 Beijing XINHUA in English 1457 GMT 9 Jun 93

[Text] Moscow, June 9 (XINHUA)—President Boris Yeltsin today proposed that the present Constitutional Assembly set up an arbitration commission to sort out contentious clauses in discussion on drafts for the new constitution.

He explained that he feared that the five working groups in the assembly might arrive at different conclusions on the same clauses. He was hoping for a joint draft rather than five different versions.

Earlier, Yeltsin had invited leaders and deputies of the Russian Supreme Soviet to attend the Constitutional Assembly, adding that parliament leader Ruslan Khasbulatov could speak before the conference, if the Supreme Soviet empowered him to do so.

On June 5, Khasbulatov walked out of the opening session of the Constitutional Assembly when his request to speak was turned down.

Khasbulatov's Conditions for Rejoining Assembly
OW0906224893 Beijing XINHUA in English 1639 GMT 9 Jun 93

[Text] Moscow, June 9 (XINHUA)—Parliament leader Ruslan Khasbulatov today put forward five conditions for the people's deputies of the Supreme Soviet to return to the current Constitutional Assembly.

Speaking before a session of the Russian Supreme Soviet, Khasbulatov said that the people's deputies will participate in the Constitutional Assembly only if the following five conditions were met:

- Yeltsin must withdraw his assertion that "the Soviet (parliament) is incompatible with democracy."
- The parliament and Constitutional Committee must enjoy "full respect and rights" in the assembly.
- All three drafts for a new constitution must be considered at the assembly.
- The assembly can not approve or adopt a constitution.
- The parliament should be empowered to decide how a new constitution to be adopted.

On June 5, Khasbulatov and some parliamentarians walked out of the opening session of the Constitutional Assembly when the parliament leader's request to address the meeting was turned down.

Northeast Asia

Government Probes Slaying of 3 Japanese Tourists

OW0906153793 Tokyo KYODO in English 1508 GMT 9 Jun 93

[Text] Xian, China, June 9 KYODO—All three Japanese tourists found dead in a hotel room in Xian, Shaanxi Province, on Tuesday [8 June] died after being stabbed with a sharp knife in the carotid artery, police in the Chinese city said Wednesday. Police said they suspect the motive for the crime was robbery because a suitcase belonging to one of the victims, Soichiro Sugiyama, 79, had been broken into.

The blood-soaked bodies of Tsutomu Sugiyama, 72, and Soichiro Giyama, both from Hanyu, Saitama Prefecture, and Fumi Abe, 77, of Shimizu, Shizuoka Prefecture, were found by a tour guide and a hotel employee in their locked room at the Xian Grand Cathay Hotel. The victims, two brothers and a sister, were part of a family traveling as part of a nine-member tour group through China. The woman's sister, daughter and son-in-law accompanied them on the trip.

According to the hotel's general manager, Shuichiro Sako, the three were found in the blood splattered room after they failed to turn up for a sightseeing trip. They arrived in Xian on Monday [7 June] night from Chengdu, Sichuan Province.

A member of the Japanese Embassy in Beijing who arrived in Xian on Wednesday said police said they found no camera or money in Sugiyama's hotel room and were unable to confirm whether any money had been stolen. Police said they have not found a murder weapon.

The Chinese Foreign Ministry said more than one person may have committed the crime. The Chinese Government is taking a serious view of the crime and has dispatched special investigators from Beijing. Xian's mayor has also set up a special team to investigate the incident.

Relatives and family members of the dead tourists arrived in the city Wednesday evening and were scheduled to view the bodies at a hospital.

The Grand Cathay Hotel, a Sino-Japanese joint venture, opened last March. It is managed by all Nippon Airways of Japan and located near the downtown area, outside the southern city wall. In a similar incident in May 1992, two elderly Japanese women were strangled in Kunming in the southern province of Yunnan by a thief posing as a hotel service worker.

Li Lanqing Receives Japanese Entrepreneurs

OW1006061393 Beijing XINHUA in English 0333 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier Li Lanqing said here today that it is his hope that both China and Japan will strengthen cooperation in personnel training and insurance business development.

While meeting with Shunji Kono, director-general of the Tokio Marine and Fire Insurance Co., Ltd. of Japan, and his party at the Great Hall of the People here this morning, Li said China is now establishing the system of a socialist market economy, and needs to institute many corresponding new mechanisms.

Under such circumstances, he said that the training of talented personnel and development of insurance business become more important than ever before.

Founded in 1879, the Japanese Insurance Co., the oldest company in Japan's insurance business history, set up its representative office here in 1980.

During the meeting, Shunji briefed Li on the company's business operations in China.

Ma Hong and Sun Shangqing, honorary director and director of the Development Research Center of the State Council, were present on the occasion.

Shunji and his party arrived here on June 8 as guests of the Development Research Center of the State Council after attending a ceremony for the establishment of the company's representative office in Shanghai.

Mongolia Reelects Orchirbat as President

OW0906132393 Beijing XINHUA in English 1132 GMT 9 Jun 93

[Text] Ulaanbaatar, June 9 (XINHUA)—P. Ochirbat has been reelected Mongolia's president for the next four years, according to preliminary election results.

Ochirbat, who became president in September 1990, won 57.8 percent of the votes to defeat his main rival L. Tudeb, who won 38.7 percent.

According to the Mongolian Constitution, the president will serve a four-year term of office.

Ochirbat, previously a member of the ruling Mongolian People's Revolutionary Party (MPRP), stood candidate for the opposition National Democratic and Social Democratic Parties after the MPRP had nominated Tudeb for the presidency.

B. De-shyonden, general secretary of the MPRP, said at a press conference following the announcement of the election results that his party will respect the choice of the people and support the work of the president-elect.

Southeast Asia & Pacific

Beijing Receives Brunei Foreign Minister

OW0906141093 Beijing XINHUA in English 1314
GMT 9 Jun 93

[Text] Beijing, June 9 (XINHUA)—Prince Mohamed Bolkiah, foreign minister of Brunei Darussalam, arrived here today on a six-day official goodwill visit to China at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

This is the first visit to China by Brunei foreign minister since the two countries established diplomatic relations.

Qian Qichen Meets Minister

OW1006103993 Beijing XINHUA in English 1021
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and Prince Mohamed Bolkiah, foreign minister of Brunei Darussalam, held talks at the Diaoyutai State Guesthouse here this morning.

The two sides exchanged views on bilateral relations as well as on international and regional issues.

According to sources at the Chinese Foreign Ministry, during the talks, the two sides agreed that Hassanal Bolkiah, the Sultan of Brunei, will visit China this year at the invitation of Chinese President Jiang Zemin. Specific arrangements will be discussed through diplomatic channels.

The two sides also agreed that China and Brunei will establish embassies in each other's capitals to facilitate exchanges and cooperation between the two countries.

On bilateral relations, Qian said that China attaches great importance to its relations with Brunei.

"We hope and are confident that Sino-Brunei relations based on the UN charter and the Five Principles of Peaceful Coexistence will surely be further strengthened and developed," he said.

Qian said that China and Brunei are good neighbors with an ocean between them, adding that the friendly exchanges between the two countries can be traced back to a thousand years.

It is because of the invasion of colonialism in modern times that the relations between the two countries were broken off, he said.

Qian said that with the establishment of Sino-Brunei diplomatic ties in 1991, the two countries appointed their ambassadors and started high-level exchanges, and trade and economic cooperation was also enhanced.

He noted that the Brunei Government declared the ending of the limitation on its citizens to visit China this March, and in May, China and Brunei signed an agreement on civil aviation.

All these marked a good step in Sino-Brunei relations and showed a broad prospect for the development of such relations, Qian said.

Prince Bolkiah agreed with Qian on his comment on Brunei-Chinese relations. He expressed his belief that with joint efforts of the two sides, the bilateral friendly relations and the traditional friendship between the peoples will continue to be enhanced.

On bilateral trade and economic relations, both sides held that there are great potentials in this field, and cooperation should be strengthened on the basis of equality and mutual benefit.

The two sides decided to gradually develop direct trade on their traditional indirect trade, and promote official cooperation and as well as cooperation between non-governmental businesses.

Touching on the relations with the Association of Southeast Asian Nations (ASEAN), Qian said that China pays great importance to its relations with ASEAN, as it plays an important role in regional economic cooperation and in safeguarding the region's peace and stability.

He noted that ASEAN has become a major trade partner of China.

On international and regional issues including the Cambodian issue, Qian said, China and ASEAN have had very good cooperation. Both China and ASEAN are keen in safeguarding regional peace and stability, he added.

Some Western countries say that China, in developing military strength, would become a threat to other countries, and Qian said this view is entirely wrong, adding that China has all along pursued a foreign policy of peace and has been working hard to safeguard peace in the world.

Qian said that China always holds that international disputes should be solved through peaceful means.

He said that China is and will continue to be a key factor for peace and stability in Asia and the world both at present and in the future.

"We will not be a threat to any country," he noted.

On the Cambodian issue, Qian said that general elections in Cambodia have been conducted smoothly and a government will be formed during the transitional period.

"We admire and support the efforts that Prince Norodom Sihanouk has made for this goal," he said, adding that "the process of peace and national reconciliation in Cambodia should be continued."

"We oppose any party to go to war," Qian said.

"Generally speaking," Qian said, "The region that we are in is relatively stable compared with other regions in the world."

China cherishes this peaceful and stable situation and is willing to continue to make efforts together with other countries in maintaining peace and stability in the region, Qian said.

Bolkiah arrived here yesterday afternoon on a six-day official goodwill visit to China as Qian's guest. This is the first visit to China by the Brunei foreign minister since the two countries established diplomatic relations.

Li Ximing Meets Thai Anticorruption Delegation

*OW1006105093 Beijing XINHUA in English 1033
GMT 10 Jun 93*

[Text] Beijing, June 10 (XINHUA)—Li Ximing, vice-chairman of the Standing Committee of the National People's Congress, met here this afternoon with a delegation from the Thai Anti-Corruption Commission led by its Chairman Sakdi Snong Chati [name as received].

Li praised the Sino-Thai traditional friendship, and described the delegation's visit as opening a new area for exchanges between the two close neighbors.

He expressed the hope that the anti-corruption organs of the two countries will have more exchanges to deepen mutual understanding.

Sakdi Snong Chati told Li that the delegation's three-day stay in Beijing has enabled them to see that China's anti-corruption drive is winning successes.

The visitors are scheduled to tour Hangzhou, Shanghai and Yunnan Province beginning tomorrow.

Wei Jianxing Receives Group

*OW0906132593 Beijing XINHUA in English 1140
GMT 9 Jun 93*

[Text] Beijing, June 9 (XINHUA)—Wei Jianxing, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and secretary of the Central Commission for Discipline Inspection of the CPC, met with a delegation from the Thai Anti-Corruption Commission led by its Chairman Sakdi Snong Chati [name as received] here today.

Wei, who visited Thailand in March, expressed hope that the visitors will have a fruitful tour during their ten-day visit in China.

Sakdi Snong Chati, who arrived here yesterday, held talks with Cao Qingze, Chinese minister of supervision earlier today. Cao briefed the visitors on China's institution for supervision and their efforts to fight corruption. They also exchanged views on matters concerning anti-corruption and anti-embezzlement.

Luo Gan Receives Philippine Delegation

*OW1006093093 Beijing XINHUA in English 0911
GMT 10 Jun 93*

[Text] Beijing, June 10 (XINHUA)—Luo Gan, Chinese state councillor and secretary-general of the State Council, met with Patricia Sto Tomas, chairman of the Public Service Commission of the Philippines, and her party here today.

The two sides exchanged views on the development of Sino-Philippine relations.

The visitors came here June 8 at the invitation of the Chinese Ministry of Personnel. Minister of Personnel Song Defu was present at the meeting.

West Europe

Shandong Economic Group Leaves for Scandinavia

*SK0606050493 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 Jun 93*

[Text] Xu Jianchun, vice chairman of the provincial people's congress standing committee, will lead a Shandong economic delegation on a visit to Norway, Sweden, and Finland. While leaving Jinan by train for Beijing Municipality on 5 June, the delegation was seen off at the railroad station by personnel, including Yan Qingqing, vice chairman of the provincial people's congress standing committee.

East Europe

Croatian President Tudjman Visits Xian 9 Jun

HK1006022493 Xian Shaanxi People's Radio Network
in Mandarin 0010 GMT 10 Jun 93

[Text] At the invitation of Chinese State President Jiang Zemin, and accompanied by Mr. Han Zhubin, PRC vice minister of railways and leader of the accompanying Chinese team, and his wife, Croatian President Tudjman and his entourage arrived in Xian by special plane yesterday morning [9 June] to begin a sightseeing tour of the city.

The Croatian guests were greeted at the airport by Wang Shuangxi, vice governor; Gong Deshun, secretary general of the provincial people's government; Zhang Kairou, director of the provincial foreign affairs office; and Huang Huping, chairwoman of the provincial women's federation.

Yesterday afternoon, President Tudjman and his entourage visited the Shaanxi History Museum. After the visit, President Tudjman was happy to sign the visitors' book with the inscription: This is one of the richest history museums in the world. It bears powerful witness to China's civilization and its development. I feel greatly honored after visiting the museum. I would like to take this opportunity to extend congratulations to those people who have turned the idea of building such a museum into reality.

Yesterday evening, Vice Governor Xu Shanlin held a banquet in the Xian Hotel in honor of President Tudjman and his entourage. Xu extended a warm welcome to the Croatian guests.

The banquet was also attended by persons in charge of various provincial departments concerned.

Luo Gan Receives Romanian Delegation

OW1006035193 Beijing XINHUA in English 0151
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Luo Gan, Chinese state councillor and secretary-general of the State Council, met with a Romanian delegation of internal affairs here this morning.

The two sides exchanged views on the development of Sino-Romanian relations.

The delegation, headed by Romanian Minister of Internal Affairs G.I. Danescu, arrived here June 7 at the invitation of the Chinese Ministry of Public Security.

Chinese Public Security Minister Tao Siju was present during the meeting.

PRC-Hungarian Trade Recovers 'Remarkably'

OW1006033693 Beijing XINHUA in English 0240
GMT 10 Jun 93

[Text] Budapest, June 9 (XINHUA)—Trade between China and Hungary recovered remarkably in the first four months this year after years of decline, local authoritative sources told XINHUA.

They said that in the first quarter of this year, the total Sino-Hungarian trade volume amounted to 38.6 million U.S. dollars, 3.5 times of the 10.7 million dollars in the same period of last year.

In April, the rising trend continued. Bilateral trade totaled 47 million U.S. dollars, of which China's export reached 15 million, compared with China's export to Hungary of 64 million in the whole year of 1992.

Trade between the two countries reached its peak of 300 million dollars in mid 1980s. But it stagnated between 50 and 60 million in recent years.

Since early this year, Chinese companies in Hungary have taken flexible measures to meet the demands of the Hungarian market.

China exports light industrial and textile products, farm produce and farm machinery to Hungary, and imports mainly steels, urea and machines from the country.

But on the whole, Hungary exports more to China than imports from China.

As representatives of China's state and private enterprises in Hungary have been recently required to renew their residence permits month by month, they find it difficult to carry out large and long-term programs.

But observers said that despite this, the bilateral trade is expected to exceed 100 million U.S. dollars this year.

Political & Social

Fuzhou Campaign Targets 'Illegal Emigration'

HK0906132493 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0946 GMT 9 Jun 93

[Text] Fuzhou, 9 Jun (ZHONGGUO TONGXUN SHE)—The coastal areas of Fuzhou City will soon take coordinated action on a large scale against illegal emigration activities, mainly cracking down on the organization of illegal emigration by sea.

Xi Jinping, secretary of the Fuzhou City CPC Committee, has recently made strongly worded speeches on many occasions, requiring the principal officials of the party committees and governments, public security organs, judicial institutions, and border guards in the subordinate cities and counties of Fuqing, Changle, Lianjiang, and Pingtan to raise their vigilance and strictly prevent the spread of illegal emigration activities.

Xi Jinping pointed out: This year, illegal emigration has increased again in the coastal areas of Fuzhou City, becoming a prominent problem plaguing law and order in the local communities. At the same time, such activities also seriously affect local economic development. Therefore, harsher action must be taken to check this bad trend.

It is reported that Fuzhou City urgently arranged special action against illegal emigration and the spearhead of the crackdown will at first be directed at "snakeheads" (organizers of illegal emigration) and other go-betweens inside and outside the mainland. The city will organize a strong force for the crackdown and will ferret out and round up "snakeheads," requiring local residents to inform against criminals who are involved in organizing illegal emigration.

Action will also be taken to tighten management and security checks at sea and the military-police-civilian joint security system along the coastline will be consolidated. This is also a major measure adopted by Fuzhou City against illegal emigration. Xi Jinping required subordinate officials in the coastal areas to pay closer attention to the management and security checking of ports, piers, bus and train stations, and hotels. The migrant population from other areas will be strictly controlled and suspects involved in organizing illegal emigration will be put under strict surveillance. At the same time, ships from Taiwan and foreign countries berthed in the various ports will be strictly inspected and managed in order to prevent illegal emigration organized jointly by internal and external lawbreakers.

Fuzhou City has reportedly made great efforts to check illegal emigration in recent years. Last year, the city took 13 large-scale coordinated actions in succession cracking down on such criminal activities. The action this summer will be directed and supervised by principal party and government officials at various levels in the city and larger quantities of manpower and material and

financial resources will be used. This demonstrates Fuzhou City's determination to check illegal emigration activities.

Commentary Warns on Separatist Forces in Tibet

OW0906213293 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 9 Jun 93

["Station commentary" from the "Tibet News" program: "Safeguard the Dignity of Law"—Lhasa Tibet Television Network in Mandarin at 1200 GMT on 9 June carries a four-minute report on this same commentary, but unlike the radio version, Lhasa Television attributes the commentary to a commentator's article from the 9 June edition of Lhasa XIZANG RIBAO]

[Text] The socialist legal system is a legal system and law enforcement principle established by the people in accordance with their own will through the political power of the state or with its approval. In our country, socialist laws serve as tools of the people's democratic dictatorship. Our country's laws reflect the the people's wishes and demands, and they embody their fundamental interests. The basic function and role of our country's laws are to deal blows to our enemies, punish criminals, protect the people's rights and interests from infringement, and ensure the smooth progress of the four modernizations drive.

Once a law is enacted and promulgated, it must remain solemn, authoritative, and inviolable. State organs, political parties, mass organizations, and individual citizens must all strictly abide by the law, conduct their affairs in strict observance of law, and never violate the law in carrying out any of their activities. Violators of the law must be punished.

The state's law enforcement organs and personnel must represent the will of the people in strictly, conscientiously, and accurately enforcing the law. They must handle law-breakers, after discerning the facts, in accordance with the, and they must enforce laws strictly, avoiding the perversion of the law or merely winking at violators of the law.

Today, our country is accelerating its drive for socialist modernization. In this historic period it is of special practical significance to strengthen the legal system, safeguard the authority and dignity of the law, and act in accordance with the law. The development of economic construction depends on social stability. The country can be prosperous and the people can live in peace only through the existence of stable social order, a good social environment, and political stability. Only in such an environment can the people concentrate on economic development and fulfill the grand objective of socialist modernization.

Over the past few years, Tibet has implemented the principle of grasping two links at the same time, attaching equal importance to both. Like the rest of the country, the overall situation of social order in Tibet is

good. Considering this good situation was hard-won, we should treasure it. Any type of social turmoil will impair the current good situation and adversely affect Tibet's economic development and social progress, with the final victim being the masses of people within our region.

During the current process of replacing the old system with a new one, separatist forces inside and outside Tibet have been capitalizing on opportunities to unscrupulously undermine the situation of stability and unity in our region. Taking advantage of some hot issues of concern to the people—issues that have occurred during the transition from the old economic system to a new one—they have intentionally distorted facts and spread rumors to mislead the people and to create disturbances. We must clearly point out that these activities are illegal. These separatists are violating the law, endangering social stability, and impairing the fundamental interests of the people. The masses of people must open their eyes, distinguish between right and wrong, heighten vigilance, and avoid being taken in. Moreover, they must consciously wage a resolute struggle against these illegal activities in an effort to protect the vital interests of the people of all nationalities. Every citizen must study the law, understand the law, and abide by the law. This is an indispensable part of our endeavor to improve the law.

All cadres and the masses must study and acquire legal knowledge. Once having acquired legal knowledge through study, they must enhance their awareness of the legal system, distinguish between what is legal and what is not, make their behavior conform with the law, and act within the scope of the law. At the same time, they must consciously resist and struggle against violations of the law. As long as all citizens do a good job in studying the law, acquiring legal knowledge, and abiding by the law; as long as efforts are made to improve the socialist legal system; and as long as the dignity of the law is preserved, the situation will become more stable and there will be a greater guarantee for economic development to achieve prosperity.

Fight for Shanghai Dissident's Release To Continue

HK1006075993 Hong Kong AFP in English 0735 GMT 10 Jun 93

[Text] Beijing, June 10 (AFP)—Friends of democracy activist Zhang Xianliang said Thursday they would continue to fight for his release from police custody, despite themselves being briefly detained for staging a hunger strike.

"We have not yet decided what we will actually do but we are not giving up," said Bao Ge, one of four dissidents detained Monday for several hours for staging a hunger strike outside Shanghai City Hall to call for Zhang's release.

Zhang was a leading organizer of the 1978 Democracy Wall movement after which he was sentenced to five years' jail for writing essays advocating democracy in China.

The 48-year-old activist was detained for 24 hours Thursday, the eve of the anniversary of the 1989 Tiananmen massacre, after police had banned him and some 30 friends from commemorating the bloody crackdown on pro-democracy demonstrators in Beijing.

He was rearrested Saturday and his wife, Yan Huili, said Thursday she still had no news of her husband despite repeated requests to the police.

Bao told AFP Thursday, "the police told me a hunger strike, even in my home, is an illegal action and warned that I would not be given authorisation for any protest." He said his phone line had once again been cut.

After their hunger strike was cut short, the dissidents planned to march Wednesday through the streets of Shanghai, but police banned the protest.

Wang Fuchen, another hunger striker, was detained the whole of Wednesday morning.

The four dissidents are also demanding the liberation of Wang Miaogen, 41, leader of an underground workers' union, who has been detained in a psychiatric hospital since April 27.

Article Argues for Right to Subsistence

HK0906130093 Beijing RENMIN RIBAO in Chinese 31 May 93 p 5

[Article by Liu Fenzhi (0491 1164 0037): "The Development of the Meaning of the Right to Subsistence Is a Great Contribution to the Theory of Human Rights"]

[Text] In the last couple of years, at many international conferences and human rights conferences, China has frequently stressed that the right to subsistence and the right to development are the most basic of human rights, particularly for the vast number of developing countries. The White Paper on "China's Human Rights Status" released by the State Council Information Office also solemnly stated that the right to subsistence is the most important of human rights. This thesis has attracted a great deal of attention at home and abroad. Many developing countries agreed with and approved of it, and people from many developing countries maintain that it took the words right out of their mouths. Some people, however, do not have a very good understanding of this thesis and have asked: What is the precise definition of the right to subsistence? Why is the right to subsistence the most basic and important among human rights? Now that China has placed the right to subsistence on such a high plane, does it mean that it has lowered its human rights criteria? Some "human rights guards" in the West even deny that the right to subsistence can be considered

a human right. To answer similar questions, we need to seriously explore, study, and formulate an unequivocal answer.

I.

What is the right to subsistence? Like human rights, everyone views the term differently, and it has not yet been specifically defined. Traditionally speaking, the right to subsistence is the right to live one's life. Westerners often call the right to subsistence "the right to life." Primarily, this means protecting one's life against illegal deprivation and illegal infringement, specifically, the right to enjoy a "secure life" politically. As for guaranteeing the basic living conditions of individuals, this definition would neither include it or exclude it. In recent years, some international documents on human rights have begun to affirm that the right to subsistence not only includes the right to a secure life free from illegal deprivation and illegal infringement but should also include the right to a basic guarantee of the living conditions that every person needs to maintain his life.

The right to subsistence that we are thinking about is continuously being enriched and is developing in meaning. It includes following the four aspects, at least:

First, it defines the right to subsistence as the most important of human rights. In the first place, the White Paper on "China's Human Rights Status" clearly states: "As far as a country and a nation are concerned, human rights are the people's right to subsistence. Without the right to subsistence, all other human rights are out of the question." This conclusion is drawn from historical facts. The history of China in the last century or more and the history of the vast number of developing countries over the past 500 years show that, when people are oppressed and enslaved as if they were mere meat to be chopped, there is no right to subsistence.

We say that the right to subsistence is the most important of human rights because it is also determined by the internal relationships of human rights. The right to subsistence is one of the numerous rights of human beings, and it takes precedence over all other rights. Whatever rights one may enjoy, the precondition for one to enjoy them is that one must be able to exist and live. In other words, all human rights must first have a human being to carry them. If this carrier is lost, of what use will all these rights be? In the article "German Ideology," Karl Marx brilliantly pointed out: "We should first affirm the primary precondition for the survival of all humanity, more specifically, the primary precondition for all history. The precondition is: For men to be able to 'create history,' they must be able to live. In order to live, they first need clothing, food, housing, and other essentials." (page 31, Volume Three of the "Complete Works of Marx and Engels").

As a matter of fact, like democracy and liberty, the entire field of human rights raises a fundamental question, that is, the question of the right to subsistence and the right of development in the natural world and in human society,

or, rather, the right to be able to take one's destiny into one's own hands. In this sense, the point of all human rights is no more than human subsistence and development; we can also say the right to subsistence is the most essential core of all human rights. Therefore, it is self-evident that the right to subsistence is the most important of human rights.

When we say that the right to subsistence is the most important of human rights, we must first shift our attention to the vast number of developing countries, which account for three quarters of the world's total population. Subsistence is at question in the overwhelming majority of these countries, and so the guarantee of subsistence has immediate significance. For many people in developing countries, the right to subsistence is still uncertain.

For example, the U.S. Department of Agriculture released a report in March which stated that one-tenth of the U.S. population eke out a living through "food stamps." On 14 March, Singapore's LIANHE ZAOBAO carried an article entitled "The Wave of Unemployment Shocks the West," which said: The number of jobless people in Britain has broken three million and, among the laboring population, on average one out of 10 persons is idle at home; France's jobless population is nearing three million; and Germany's current unemployment rate has reached 7.4 percent. This shows that a considerable number of people in developed countries need to settle the question of the right to subsistence. Therefore, saying that the right to subsistence is the most important of human rights has universal significance.

Second, state sovereignty is the foundation on which people enjoy the right to subsistence. The White Paper on "China's Human Rights Status" stressed: "If a country is not independent, there can be no guarantees for the lives of its people," and "therefore, to strive for the right to subsistence, it is first necessary to strive for the right of national independence."

A human being in a society is a member of a group and lives under a fixed organized political system, and, in this fixed organized political system, the country comes first. According to traditional views, the goal and task of founding a country is to resist foreign aggression, organize economic activities, safeguard security and order, and enhance the well-being of its citizens. To achieve these goals, it formulates a legal system which is supported by the use of force. It would be inconceivable for an individual to achieve these goals on his own and survive on his own if he is not part of a country, which consists of groups.

To constitute a modern state, there must be four basic factors: settled residents, a fixed boundary, a definite organized political system, and sovereignty. Sovereignty is an important attribute of a state. By state sovereignty, we mean a country's inherent supreme power to independently deal with home and international affairs without another country's interference or limitation. It

includes political independence, economic sovereignty, and territorial sovereignty. State sovereignty is the foundation and safeguard for individual human rights. One can ask that, once a country has lost its sovereignty, is under the rule of racists, colonists, or foreign aggressors, and has seen its people totally deprived of state sovereignty, what human rights do these people have as single individuals? A single pillar cannot support a mansion that is already falling down. One will inevitably lose one's home when one's country is subjugated. For several centuries, including the last century, the fundamental reason why people of developing countries and the Chinese people have long suffered aggression, oppression, and humiliation is that they have not had national independence or state sovereignty. Therefore, we can conclude that state sovereignty is the foundation and precondition for people to enjoy the right to subsistence and all human rights.

At the recent 49th meeting of the UN Human Rights Committee and the Asian Regional Preparatory Meeting for the Universal Human Rights Conference, Chinese representatives stressed repeatedly: The Universal Human Rights Conference to be called this June should reiterate the principles of the UN Charter and International Law regarding respect for state sovereignty. Only when state sovereignty is fully respected can human rights be conscientiously guaranteed.

Third, the right to subsistence should also include the right to a guaranteed livelihood. The White Paper on "China's Human Rights Status" points out: "Although national independence makes the lives of the Chinese people free from oppression by foreign aggressors, it is also necessary to enable the people to enjoy the guarantee of a basic livelihood on this basis. This is the only way to really settle the question of the right to subsistence." This means that our concept of the right to subsistence not only means the right to a secure life (including the right to life, the right to health, and other personal rights), but also means that the people's basic living conditions should be guaranteed. A country also has the obligation to continuously improve the people's living conditions through the development of economic, social, and cultural undertakings. The Tehran Declaration adopted in 1968 at the first Universal Human Rights Conference stressed: "Human rights and basic freedoms are inseparable. If it is impossible to enjoy economic, social, and cultural rights simultaneously, it will never be possible to achieve civil and political rights. Moreover, long-term progress in the practice of human rights depends on sound and effective national and international economic and social development policies." Later, the Resolution on New Concepts About Human Rights passed at the UN Assembly in 1977 reiterated and affirmed this Tehran Declaration principle.

In order to guarantee basic living conditions and improve living conditions, China and developing countries attach very great importance to the right of development and simultaneously place the right to subsistence

side by side with the right of development as the most important of human rights. They are also urging the upcoming Universal Human Rights Conference to reiterate that the right of development is an inalienable human right, to put forward effective measures to achieve this right, and to consider establishing supervisory mechanisms for achieving this right.

The right to subsistence includes the right to the guarantee of livelihood, and this has broken through the simple concept of the right to life found in bourgeois ideas about human rights. It maintains that human beings not only need the right to live but also the right to procure the necessary survival conditions and to improve living conditions. On the basis of the right to life in traditional bourgeois human rights theories, it contains economic, social, and cultural rights. Moreover, it closely links the right to subsistence with the right of development and makes them supplement and promote one another, thus giving a new connotation to the right to subsistence. This represents a breakthrough in human rights theories.

Fourth, the right to subsistence is not only an individual right but is also a collective right. The White Paper on "China's Human Rights Status" clearly points out: "The Chinese Government attaches importance to safeguarding and achieving the right of economic, cultural, social, and political development of the country, nation, and individuals." That is to say, as far as the individual is concerned, the right to subsistence includes the individual's right to a secure life and to the guarantee and improvement of his livelihood. As far as a nation and a country are concerned, the right to subsistence is the right to be free from foreign aggression, enslavement, discrimination, and exploitation. Moreover, it also implies that, in addition to upgrading and improving the living standards of the entire people, it requires comprehensive development of the entire country and nation in such areas as the economy, society, culture, education, public health, and social welfare and the realization of social justice so that the country and nation can stand proudly in the family of nations.

In order to guarantee the right to the collective subsistence of a country and a nation, China and the developing countries usually mention the right of independence, the right of national self-determination, the right to subsistence, and the right of development in the same breath—because these collective human rights combine to form the right to collective subsistence in a broad sense.

The right to subsistence as a right to collective subsistence is another great breakthrough in its meaning. What deserves our great attention is that some international documents on human rights have already made provisions in this respect. For example, Article 1 of the International Pact on Economic, Social, and Cultural Rights states: "All peoples have the right of self-determination, whereby they determine their political status and freely pursue their economic, social, and

cultural development." Article 2 states: "All peoples can dispose of their natural wealth and resources for their own purposes," and "in no circumstances can a people be deprived of its own means of subsistence." The Algerian People's Rights Declaration affirms the "right of subsistence of all peoples" and states that collective human rights include the right to subsistence, the right of political self-determination, the right of economic self-determination, cultural rights, and environmental rights. The declaration also elaborates on the relationship between collective human rights and individual human rights, pointing out: It is all an illusion to maintain that one can effectively enjoy individual human rights in a society whose "collective rights" have not been established.

The development and perfection of the meaning of the right to subsistence is an important contribution to human rights theories, because it makes the direction much clearer and surveys the roads ahead on the fundamental question of the human right to subsistence. It represents a higher human rights standard; it does not lower it.

II.

The right to subsistence is an old concept. It was first suggested when the new bourgeoisie was struggling against the feudal autocratic system and, in the end, became an effective ideological weapon for the Western bourgeoisie to use against the feudal system. As early as the 17th century during the British bourgeois revolution, John Locke, the bourgeois thinker and an outstanding representative of the school of classical natural law, said: At the very beginning, man lived in a natural state and conducted his activities within the scope of natural law. Life, property, and liberty represent nontransferable and inalienable rights given to man by natural laws; they can also be called "natural human rights." Life, as Locke said here, is the right to subsistence. Locke maintained that the right to subsistence comes first and is everyone's most fundamental right. Without this right, all other rights are out of the question. In his book, the *Two Treatises of Government*, Locke wrote a famous remark, which has been popular for several centuries: "The right to life implies the inherent right to subsistence. One cannot give the right over one's life to someone else. When one does not have the ability to control one's own life, one cannot—by contract or agreement—hand oneself over to someone else to be enslaved or place oneself under the absolute and arbitrary power of someone else, where one can be deprived of one's life at another's will." Later, French materialist philosopher Denis Diderot stressed: Man's right to life comes from his character and is universal," and, therefore, "in any country and in the past, present, and future of humanity, people love themselves more than others." By saying people love themselves, Diderot meant that people love their own lives. Rousseau, France's most radical political thinker, also described the protection of one's life as the "first law of man." From a short review of history, we can prove that the right to life or the right to subsistence has long been

an important part of bourgeois human rights. Some "human rights guards" in the West do not recognize the right to subsistence as a human right because they have no knowledge or are ignorant of their own history.

The right to subsistence is not only a human rights theory or human rights thought but is also a political program and legal content. The U.S. Declaration of Independence of 1776 formally declared for the first time the right to life in the form of a political program: "That all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." The Virginia Rights Act established for the first time the primary role of a secure life in natural human rights. It provided: "All men are born to be equally free and independent and enjoy some natural rights... These rights are the means to enjoy life and liberty, to acquire and occupy property, and the pursuit and obtainment of happiness and life."

The right to subsistence has also been officially recognized in contemporary international documents on human rights. Article Three of the "Universal Declaration on Human Rights," part of the "Great Charter on Universal Human Rights," states: "All men have the right to enjoy life, liberty, and personal security." Article 25 provides: "All men have the right to enjoy the living standards required to maintain the health and well-being of themselves and their family dependents, including food, clothing, housing, medical care, and other necessary social services. When they lose the ability to make a living as a result of unemployment, disease, handicap, widowhood, aging, or other uncontrollable conditions, they have the right to enjoy this guarantee." In addition, the constitutions of many countries around the world have laid down certain provisions on the guarantee of the right to subsistence. According to statistics in a book by Dutch scholars entitled "A Comparative Study of Written Constitutions," as of the end of March 1976, the constitutions of 64 countries around the world provide for the guarantee of the right to subsistence, 45.1 percent of the total; 33 countries provide for reasonable living standards, or 23.2 percent. As a basic human right, the right to subsistence is being universally recognized by numerous countries.

As the right to subsistence is extensively spreading and being recognized worldwide, it is also being played down and ignored by the West. This is a contradictory phenomenon in the area of contemporary international human rights and also represents two tendencies and two destinies of the contemporary right to subsistence.

The right to subsistence was first praised in Western societies, which are now playing it down. When some people from the Western bourgeoisie think the right to subsistence can be of use to them, they hold high the banner of human rights and the right to subsistence. When they think it can be of little use, they throw this banner away and trample on it. As everyone knows, the capitalist economy spontaneously developed from feudal

society. After the capitalist commodity economy became fairly developed, commodity producers demanded a guarantee for their right to subsistence and raised the call for human rights, the right to subsistence, and the like. Early ideas about the bourgeois right to subsistence unequivocally called for the guarantee of private property, maintaining that private property is the material foundation of the right to subsistence. Locke maintained that, of the "ownership" of subsistence, liberty, and property, the most important is the right to property. He even argued that the right to property in fact includes the right to subsistence and the right to liberty because, without property, it is impossible for one to enjoy existence and liberty. He also maintained that "the main reason people establish a society and government is to protect the right to property." Rousseau maintained that "the ownership of property is the most sacred of all the rights of citizens." Diderot held that "the ownership of private property is a protection for the individual." Precisely in this sense, Marx pointed out that the revolutionary bourgeoisie of the 18th century "recognized and approved of modern bourgeois societies in the form of human rights." (*Complete Works of Marx and Engels*, Vol 2, page 156)

After the capitalist system stabilized, the bourgeoisie discarded the banner of the right to subsistence. The reasons are: First, as a class, the bourgeoisie not only controls the means of production but also possesses an abundance of means of livelihood and controls political power. For them, the right to subsistence loses the immediate life-and-death significance. Second, it is impossible for the capitalist system to fully guarantee the vast numbers of laborers the right to subsistence, which would be to free them from want. A paradise for rich men cannot be a paradise for poor people. It is impossible for the capitalist system to resolve a series of social problems, such as the disparity between rich and poor, high unemployment, a high crime rate, increasing incidence of violence, and serious racial discrimination. Therefore, it cannot legally or morally guarantee the majority of people the right to subsistence. They do not talk about the right to subsistence or play it down precisely because it is embarrassing for them to mention it. Last, there is another point which is also important. Western human rights theories separate the human rights concept, lopsidedly stress the political rights of individuals and citizens, and play down their economic, cultural, and social rights. They lopsidedly stress individual human rights and play down and even deny collective human rights. As for individual human rights, they are merely concerned with the so-called "people holding different political views" and disregard the right to subsistence of the majority of people. This attempt to internationalize human rights is aimed at pursuing Western "democratic politics" to change political and social systems that are different from their own. They have tried to stop the banner of the right to subsistence—which possesses combat effectiveness and progressive significance—precisely for these reasons and considerations. These Western theorists have shunned it and

discarded it. When one looks at that part of history, one easily finds the reason why some people in Western societies think light of [leng luo 0397 5507] the right to subsistence.

III.

The right to subsistence is the life blood of all people in Asia, Africa, and Latin America. In their actual protracted struggle for the right to subsistence, vast numbers of developing countries have more consciously held up the banner of the right to subsistence. Since the early 15th century, following the rise of Western capitalism and its expansion abroad, vast numbers of Asian, African, and Latin American countries were reduced to the status of a colony, semi-colony, or dependency. Western capitalist aggression, enslavement, and pillage of extensive lands of Asia, Africa, and Latin America was an extremely important external condition for the rise of Western capitalism. The process of the boom and development of Western capitalism is precisely the process in which vast numbers of developing countries were deprived of their right to subsistence. Beginning from the process of Western capitalist primitive accumulation, Western colonists carried out overseas trade and colonial pillages, slaughtered aboriginal residents, and engaged in the inhumane slave trade. Following their success in the Industrial Revolution, Western countries entered into the period of non-monopoly capitalism one by one. They built blood-sucking networks of communication lines in colonial lands, forced the local people to produce agricultural and mineral products primarily for export, changed colonial lands into lands that supply their raw materials and into their commodity sales markets. This caused vast numbers of colonial lands to remain in a primitive stagnant state for a long time. As capitalism evolved to the period of imperialism, through capital export and colonial expansion, Western colonist countries carved out the world both economically and territorially and consequently formed the imperialist colonial system. Vast numbers of Asian, African, and Latin American countries became political and economic dependencies to be exploited and plundered by the forces of imperialism and colonialism. For nearly five hundred years, the West controlled the East. In every step of their development process, capitalism and imperialism all regarded vast numbers of developing countries as their chief targets to invade, plunder, and enslave. Modern and contemporary history is precisely the tragic history of vast numbers of Asian, African, and Latin American countries that have lost their right to subsistence.

Colonist enslavement and oppression sowed the seeds of resistance. For several centuries, the people of Asia, Africa, and Latin America unyieldingly carried on heroic and indomitable struggles for national independence. In the wake of the Second World War, national liberation movements in Asia, Africa, and Latin America surged forward. In essence, they were a grand-scale and great struggle for the right to subsistence. It wrote the most glorious chapter in the history of the right to subsistence.

The national liberation movements of developing countries and their struggle for the right of independence, the right to subsistence, and the right of development have given fresh substance for the theory and practice of human rights theories, have greatly developing the meaning of the right to subsistence, and have effected an essential change in the traditional right to subsistence.

At present, the international strategic setup is in a transition period. The world is much more turbulent and unstable. People from a vast number of developing countries are facing a grim situation with regard to their subsistence conditions. Following the "gunboat diplomacy," "dollar diplomacy," and "power diplomacy," some international forces are now practicing "human rights diplomacy" with a view to pursuing hegemony and power politics. The unreasonable old economic order is still deep-rooted; the gap between the South and the North is continuously widening; and people from numerous developing countries have no guarantee for their livelihood. Under these circumstances, people around the world—especially people from developing countries—generally demand world peace, national development, social progress, economic prosperity, and improvement in living standards. The upcoming Universal Human Rights Conference should conform to international trends, satisfy the demands of the vast number of people around the world, and fully consider and give priority to discussing the question of the right to subsistence, which remains the particular concern of vast numbers of people around the world, so that international human rights can develop in a healthy direction.

Ways to Curb Law Breaking by Officials Probed

HK1006030893 Beijing FAZHI RIBAO in Chinese
23 May 93 p 3

[Article by Yu Yin (0151 7229): "Phenomena of 'Officials' Violating Discipline in Exercising Authority and Ways to Deal With Them"]

[Text] At the annual meeting held by the Society of Supervision in Haikou from 11 to 16 March this year, more than 50 meeting participants studied, in a concentrated way, the characteristics of, reasons for, and ways to deal with violation of laws and discipline by administrative government functionaries under the socialist market economic structure. Meeting participants pointed out: As the planned economy moves toward a market economy, and the new and old structures undergo sharp frictions and collisions, because of the lagging nature of political restructuring, the tint of "rule by man" will persistently manifest itself in economic activities.

I. Violations of Discipline by Working Personnel of Government Organs in Exercising Authority While Participating in Market Economic Activities

1. Discipline is violated when they take up a second job. Taking advantage of their posts, some government functionaries seek private gain by abusing power in their

hands and feather their nests at public expense while taking up a second job. 1) A small number of people holding power and resources in administrative organs held concurrent posts with payment in enterprises and institutions under the jurisdiction of or relating to their organs in the name of adviser or consultant. 2) While taking a part-time job or providing knowledge and technology in consultancy services, and even becoming shareholders by contributing technology, some technicians and professionals "became shareholders by using power in their hands," by stealing the key technology of their work units and at the expense of the interests of their work units or by arbitrarily using examination and approval power. 3) Some functionaries, who were directly engaged in operations, sought private gain by abusing the power in their hands in the link of stock purchase. For example, a small number of people bought wholesale commodities at reduced prices or took stock purchases from production enterprises or agent companies by forcing prices down, thus infringing upon the interests of the state, collectives, and individuals.

2. Discipline is violated when party and government organs set up service and economic entities. 1) Some economic entities maintained "administrative ties," and were "not dislocated" with government organs. They have, in fact, become unit "small coffers" or government organ "welfare companies," thus sharing out state property privately and in a disguised way. 2) A new confusion has emerged between government and enterprise functions and between bureaucrats and merchants. With power in their hands, some entities or working personnel forcefully promoted sale of their products, sold their products on a required sale basis, monopolized state-controlled materials and goods, and forcefully rendered "services" and collected exorbitant "service charges." This is apportionment in disguised. 3) A small number of departments shifted their own professional work to their subordinates or internal service entities and shared profits with them, thus infringing upon the interests of the state. Particularly, a small number of rural grassroots units turned their jobs into services with payment and collected exorbitant service charges, thus infringing upon the interests of peasants.

3. Discipline is violated when government functionaries get involved in intermediary activities as a go-between. The main manifestations are as follows: 1) In introducing procurement and supply and marketing operations, they forced prices down, and in promoting sales of fake and shoddy goods, they forced prices up; 2) in introducing capital construction projects, they raised project costs; 3) they forcibly apportioned advertisement and consultancy service fees to enterprises and institutions; 4) they made referrals [jie shao 0094 4801] of state-controlled materials and goods targets; 5) they made referrals of low-interest bank loans and short-term funds; and 6) they made referrals of contracting made-to-order businesses. Moreover, flaunting the banner of brokers, some policymakers or functionaries collected commissions from second parties in the name of labor

service and work fees in the course of contracting out their units' capital construction projects and made-to-order businesses and in material procurements. This is in essence an act of extorting and accepting bribery.

4. Discipline is violated on the stock market. 1) Taking advantage of their posts or work, some administrative government functionaries, personally or in the name of family members, bought enterprise internally circulated stocks, accepted such stocks given by enterprises, and traded stocks privately to seek exorbitant profits. 2) They bought stocks in the securities market through insider business deals, seeking private gain through stock trading. In China's shareholding enterprises, the state owns a dominant stake. Changes in leadership of shareholding companies as "inside news" in stock trading must get the government's endorsement to a certain extent, and the dividend distribution policy, product price readjustments, capital accumulation, and major investments are subject to the state's macroeconomic policy and the government's supervision to a certain extent. In this way, public servants in government organs will probably become "insiders" and engage in stock trading directly or indirectly, and they will surely make profits by using "insider information" to which the general public does not have access.

II. By Exceeding the Limits of Government Functions and Overstepping the Limits of Power in Their Hands, Working Personnel of Government Organs Interfere in Enterprise Production and Operations Using Administrative Fiats Without Authorization

1. They interfered in enterprises' power in personnel and labor power employment. Some offices and units forcibly assigned superfluous personnel resulting from institutional reform to work in enterprises. With the power in their hands, a small number of people meddled in the appointment and removals of middle-level cadres of some enterprises. Competent government departments and their functionaries meddled in making arrangements for some enterprise cadres, who had limited ability to operate, got involved in economic malpractice or failed to get employment approval, to work in other units as officials. Some government functionaries asked enterprises and institutions which had relations with their departments to find jobs for their relatives and friends, thus hampering the labor service market's principle of fairness and selection of the best candidates for employment.

2. They interfered in enterprise decisions on investment projects. Not quite trusting enterprises in making decisions on investment projects, some government departments took on what ought to be done by enterprises instead of rendering service and coordination by overstepping the limits of their functions and powers, thus hindering enterprises from genuinely getting involved in the market. At the same time, to seek short-term interests and local interests, some localities violated market

laws and blindly launched projects out of the administrative will. This may probably bring about losses to enterprises.

3. They monopolized the market using administrative fiats. To seek immediate, local interests, some localities and departments illegally used administrative authority to dominate, block, and monopolize the market, carried out joint operations and mergers according to the will of officials, pursued price protection among local enterprises, set up checkpoints or just allowed state-run and collective commercial enterprises to use only local products to stave off the inroads of low-priced, high-quality products from other places, thus infringing upon the interests of the selling units and customers and hindering fair competition and the formation of a single national market.

4. The "three wanton collections" are still around. At present, open apportionments have been seldom seen. However, "dressed up" and disguised apportionments can be found quite frequently, such as the many study and training courses collecting high fees; many study materials requiring high prices; and many cultural, sports, economic and trade activities demanding financial assistance. In addition, some units submitted accounts of their entertainment, conference, and inspection fees and office welfare expenses to enterprises, giving rise to endless grievances from the latter.

III. While Exercising Their Functions and Powers, Administrative Law-Enforcement Personnel Violated Laws, Rules, and Regulations, and Acted Arbitrarily

In ordinary circumstances, acting arbitrarily is manifested in two ways: 1) In exercising functions and powers, laws and strict policy stipulations are violated, and administration is done illegally. 2) The power to make free decisions is indiscriminately used not in accordance with legal provisions, principles, and procedures, thus making administrative behavior irrational or illegal. Their specific manifestations are as follows:

1. Administrative law-enforcement personnel either wantonly approved and issued approval documents of various kinds, permits, and business licenses, or held them up.

2. Some law-enforcement departments and personnel resorted to extortion. Taking advantage of the trade monopoly power in their hands and their work, they set personal demands on law-enforcement targets and compelled the latter to submit by coercion. Otherwise, they would retaliate.

VI. Discipline Is Violated by Taking Advantage of the Incomplete and Uncoordinated Systems in the Course of Mechanism Transformation

In the course of changing government functions, the laws and regulations on management of administrative government work are not complete and coordinated. The phenomenon of replacing rule by law with rule by man in

personnel and financial management will still emerge. This will surely give rise to corruption and hamper the improvement of the efficacy of administrative organs.

1. Financial management is confused. There are problems in such areas as bank account openings, balance sheets, and financial expenditures. Money and material resources were distributed arbitrarily by adopting such forms as opening accounts in many banks, setting up small coffers without permission, and resorting to deception in accounts of business, and with regard to funds and material resources, either fraudulent applications and claims were made on funds and material resources or they were embezzled or distributed secretly, thus causing loss of state-owned assets.

2. The practice of eating and drinking prevails. Such practice has swallowed up large amounts of the state's construction funds for nothing and corrupted the political integrity of some public servants who abused the power in their hands and performed their official duties in violation of laws. Some of them even linked the practice of eating and drinking with ideological emancipation and the change of minds and deemed it a manifestation of ideological emancipation to have the courage to eat and drink extravagantly.

3. Tours are organized using public money. Under the pretext of inspection, study, running study classes, and ideological emancipation, some offices, units, and enterprises organized tours to other parts of the country and abroad. An extreme case shows that people drove a special car from the south to the north on an "inspection" tour. As some inspection missions did not have any clear objectives and real substance, at the end of the missions, people returned home empty-handed. The disadvantages of such practice outweigh its advantages.

The reasons for violations of discipline in exercising authority in economic activities are complicated, and it is not an easy job to put a thorough end to this situation. People must squarely face reality like this: There is no way to ensure incorruptibility based on the personal moral character of powerholders, and the corrupt phenomenon characterized by trading power for money will possibly emerge at any time. As such, people have reasons to complain loudly: Officials should not exercise authority in the dark. We must let the sun illuminate our structures. It must be made clear that it is necessary to establish an effective supervisory mechanism for powerholders. In the light of the actual needs of the current structural transformation, meeting participants suggested: First, there must be strict legislation, including administrative, clean government, and supervision legislation. For example, through legislation, it is necessary to make detailed stipulation of procedures and methods of selecting, examining, assessing, supervising, rewarding and punishing, and dismissing administrative and professional public servants. Through the legal system, it is necessary to specifically standardize official behaviors in exercising their functions and powers and plug up the loopholes of embezzlement and bribe taking.

Second, there must be strict supervision. This mainly refers to a relatively complete and highly effective supervision system, including the Constitution, election and press laws, and the law on protection of citizens' rights. It must be ensured that the supervision of public servants by various means will become a reality in practice. It is necessary to practice a multilevel, multi-angle, and multiform supervisory mechanism. For example, courts and procuratorial organs carry out overall supervision according to the law; routine supervision is carried out through examination and assessment procedures and the reward and penalty system; superiors exercise supervision over their subordinates on a responsibility basis; specific supervision is carried out through property declaration, job rotation, and avoidance [hui bi 0932 6699] systems. It is necessary to set up special supervision organs and give them great power to act and means to investigate to ensure they will work efficiently. Third, there must be severe sanctions. Without this, any strict laws and supervision will become nothing but a mere formality.

Commentary Urges Rural Cadre Improved Work Style

*HK0906145493 Beijing RENMIN RIBAO in Chinese
4 Jun 93 p 3*

["Special commentary" by Li Renshi (2621 0117 0099), deputy leader of the Central Policy Research Center's party-building group: "Cadres at the Rural Grass-Roots Level Must Earnestly Improve Their Work Style"]

[Text] At present, in some villages, the excessive burdens of the peasants have directly affected relations between the cadres and the masses, and this problem merits earnest attention. Both the upper and lower levels have a lot of work to do to solve this problem. One important matter is that rural grass-roots cadres must resolutely change their work style and method and try improving their standards of work.

To be fair, some current tasks facing the rural areas are very difficult, and performing these tasks not only requires hard work but is also thankless. A great majority of grass-roots cadres work hard and are not upset by criticism; their work should earn our understanding and support. The tense relations between the cadres and the masses are indeed caused by many factors, not just by the inappropriate performance of grass-roots cadres. We must realize, however, that there are indeed some grass-roots cadres who have very unhealthy habits, who eat and drink excessively, who abuse power for private gain, and who break laws and discipline and are arrogant, causing grievances among the peasants. There are also some comrades whose standards of leadership and work style do not suit the new situation and whose ways of handling things are simplistic, rude, and prone to intensify conflicts. Regarding a small number of lawbreakers, we must punish them in accordance with the law, so as to redress the people's grievances. As for the majority of comrades, it is not only necessary but also urgent for

them to strive to meet the needs of rural reform and development, upgrade leadership standards, and improve work style and method.

The style and method of the rural grass-roots cadres' work is not merely a problem of individual behavior or a problem of method. Agriculture is the foundation of the national economy. Among the 1.1 billion people in our country, 800 million are peasants. If agriculture does not prosper, the country does not prosper, and, if the rural areas are unstable, society as a whole cannot be stable. If we do not earnestly work to fully arouse enthusiasm among the broad masses of peasants for developing agriculture and building new villages, and properly guide, protect, and develop this enthusiasm, then the building of socialism with Chinese characteristics will lack a basic guarantee. Therefore, our rural grass-roots cadres must consciously link their own work style and method to the party's undertaking and the country's overall situation and must fully understand the importance and necessity of improving relations between the cadres and the masses in the rural areas. When launching rural work, they must first correctly understand relations between the peasants and themselves, must respect the master status of peasants, represent their legitimate interests, understand their difficulties, sincerely provide them with services, solve their problems, organize and guide them to support and actively participate in rural construction and reform, and never consider themselves as higher than the peasants or appear in front of them as a ruling and governing "bureaucrat."

Under the condition that the rural areas deepen reform and expedite development, much of the work handled by the grass-roots cadres involves the interests of the peasants as well as conflicts between individuals and collectives and between long-term and current interests. These are very complicated and sensitive issues. The great wave of reform and opening up has rapidly made peasants more intelligent, and their sense of independence, sense of participation in politics, and sense of democracy have been rapidly enhanced. To improve work style and upgrade leadership standards, we should strive to follow this rapidly developing process. Judging from the current situation, cadres should at least make earnest efforts in the following areas:

First, resolutely, thoroughly, and seriously implement the party's rural policies and play an exemplary role in doing things according to these policies. One should never replace policies with his own will, nor should one violate the policies and engage another set of procedures. One must speak the truth, do practical things, seek practical results, and resolutely oppose formalism.

Second, resolutely seek truth from facts and do things with a scientific attitude. The cadres must earnestly go deeply into the masses, carry out research and investigation, and honestly estimate the economic strength and degree of wealth among the peasants in the localities. When developing various undertakings in rural areas, local conditions should be taken into account, and

actions must be taken according to strength. Cadres must resolutely oppose subjectivism, blindness, tricks, and false reports and should avoid adding extra burdens to the peasants. Facing an unrealistic demand from higher levels, they must reflect on the problem, skillfully make suggestions, protect the interests of the masses, and earnestly embody the consistent principle of being responsible to both the upper and lower levels.

Third, they should focus the primary energy on organizing and guiding peasants to fight poverty, create wealth, and develop production, while doing things according to the new ideas of reform and construction.

Fourth, when there are difficulties, the cadres must skillfully work to persuade, guide, coordinate, mediate, and strengthen education for peasants. They must try harder to exchange ideas frankly and try to understand more and take more care. They should never get on their high horse and give compulsory orders; nor should they do things that hurt peoples' feelings.

Fifth, they must do more to arouse enthusiasm. They must sincerely safeguard the legitimate interests of the peasants. They must become caring persons who care for and help the masses, who consciously think from the angle of the masses, who provide timely assistance to the masses, and who meet the needs of the masses. Not only must they make the rich richer, but they must provide timely help to the poor and must not "like the rich and dislike the poor." The rural areas in which there are tense relations between the cadres and the masses are often economically undeveloped. The basic method is still to make efforts to lead the masses to fight poverty and create wealth. When the masses of peasants become rich and spiritual civilization is built, many problems would be solved.

Xu Weicheng To Be Relieved of Propaganda Post

*HK1006030693 Hong Kong MING PAO in Chinese
9 Jun 93 p 7*

["Newsletter from Beijing" by special correspondent Chung Chih-ming (6945 1807 2494): "Xu Weicheng Is To Leave the Central Propaganda Department and Become Deputy Secretary General of the CPPCC"]

[Text] Xu Weicheng, executive deputy director of the CPC Central Propaganda Department, who is regarded by outsiders as a leading "leftist," will soon be removed from his current office and appointed as deputy secretary general of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]. Not long ago, the report about Xu Weicheng's relaying of the propaganda guidelines on behalf of the Central Propaganda Department caused discontent among some people in Beijing's mass media. Some people working with the mass media said in private that they did not know which points were the central instructions and which points were Xu's personal opinions.

According to sources in Beijing, Xu Weicheng will be relieved of his current office very soon and will become deputy secretary general of the CPPCC national committee. It is said that the top leadership in Beijing made such an arrangement long ago, but they did not want to effect the transfer during the session of the National People's Congress in March when many leading leftists were relieved of their posts, for fear that the outside world would overreact to such personnel changes. That is the reason Xu's transfer is to be made now.

Reportedly, Xu Weicheng was still rather active prior to his transfer. After Jiang Zemin, general secretary of the CPC Central Committee, issued an instruction on dealing with the "economic problems" among mainland reporters, and the Central Propaganda Department held a special meeting to make relevant arrangements, Xu was responsible for conveying the spirit of the meeting to the press. In Beijing, he twice conveyed the "central instructions" at meetings attended by responsible officials of major newspapers and magazines throughout the country, and the "instructions" include 10 points.

He mentioned on different occasions that "bourgeois liberalization" was showing a tendency to gain ground again in mainland newspapers and journals, so it was necessary to deal seriously with this tendency and launch a resolute counterattack. When the hand for economic construction is tough, the other hand for struggling against liberalization must not be soft.

Xu said that some mainland reporters are now covering and releasing news on a paid basis, as some investigations showed that enterprises gave "gift money" to reporters who released reports about their news briefings. This practice damaged the authenticity of "proletarian journalism" and tarred the reputation of "the party's journalists," so serious action must be taken against such behavior. No such thing is allowed to happen in the future.

Xu also stressed: In the future, mainland newspapers and magazines are not allowed to reprint articles carried by overseas media in order to prevent their "position deviation." Articles that are to be reprinted should be approved by the Central Propaganda Department. Articles about "celebrities" and cadres at and above ministerial level must also be first sent to the Central Propaganda Department for approval and recording. Otherwise, publishing such articles without authorization will be regarded as violating discipline.

With regard to the contents of various publications, Xu Weicheng said that the "polarization" in the mainland should not be excessively reported. In the aspect of coverage and reportage, "historical themes" should not be overemphasized; instead, stress should be laid on eulogizing the current good situation of reform. Xu particularly stressed that there must not be too much writing on themes about the Cultural Revolution. The Daqiu Zhuang incident and the Changcheng Science and Technology Company's fund-raising incident can only

be reported by the XINHUA NEWS AGENCY according to the relevant instructions of the central leadership, and no other media can touch such themes.

Some people in Beijing said that after listening to Xu's speeches, they felt they had returned to the period of the Cultural Revolution, and they could not distinguish the actual central instructions from Xu's personal opinions.

Report on Leaders' Activities 12-27 May

OW2805131493

[Editorial Report] PRC media monitored by Okinawa Bureau carried the following reports on PRC leadership activities from 12- 27 May. The source is noted in parentheses after each report.

Jiang Zemin Inscribes Name for Journal—"CHANG AN" [7022 1344; LONG PEACE], a news monthly to be published under the auspices of the Central Committee for Comprehensive Management of Social Security and to be managed by the Central Commission of Political Science and Law, will begin publication in July 1993. Jiang Zemin, PRC president and CPC Central Committee general secretary, inscribed the name for the journal. Ren Jianxin wrote the foreword to it. (Beijing Central Television Program One Network in Mandarin 1400 GMT 20 May 93)

Tian Jiyun Attends Economic Meeting—Some 150 experts, scholars, entrepreneurs and government department heads from various parts of China discussed how to promote socialist market economy at a meeting in Beijing on 23 May. Tian Jiyun, member of the CPC Central Committee Political Bureau and vice chairman of the National People's Congress Standing Committee, attended the meeting. (Beijing Central Television Program One Network in Mandarin 1100 GMT 23 May 93)

Jiang Zemin Inscribes for Shanghai Research Institute—General Secretary Jiang Zemin wrote an inscription for the Shanghai Scientific Research Institute of Electric Appliances under the Ministry of Machine-Building on the occasion of its 40th anniversary. Jiang Zemin was a leader of the institute in the past. His inscription, which was unveiled on 26 May, reads: "Keep economic needs in mind, deepen reform, and develop science and technology for electric appliances." (Shanghai People's Radio Network in Mandarin 1000 GMT 26 May 93)

Chen Xitong Meets IOC Vice President—Chen Xitong, chairman of the Beijing 2000 Olympic Games Bidding Committee, met with Dosa Caraskili, member of the International Olympic Games Committee, and his wife in Beijing on the evening of 23 May. During the meeting, Chen Xitong said: "It will be a milestone in Olympic history when the 1.1 billion Chinese people are able to foster the Olympic spirit and contribute to the cause of popularizing the Olympic spirit." He added: "China is a country with a 5,000-year history. This ancient land is imbued with Oriental characteristics and has numerous cultural relics and historical sites. Many places are worth

seeing. The Chinese people are peace-loving people. To feed and clothe themselves and have a good life, our 1.1 billion people need a peaceful environment for developing production and the economy. We hope to get along well with people of all countries. This conforms to the Olympic objectives—peace, friendship, and progress.” Wu Shaozu and Zhang Baifa, executive chairman and vice chairman, respectively, of the bidding committee, were present at the meeting. (Beijing XINHUA Domestic Service in Chinese 1557 GMT 23 May 93)

Tian Jiyun Serves as Honorary President of Economic Institute—The China Institute of Market Economy was founded in Beijing on 23 May. “Tian Jiyun, member of the CPC Central Committee Political Bureau and vice chairman of the National People’s Congress Standing Committee, is honorary president of the institute, and Wang Yu, a noted economist and professor of the Central Party School, serves as the president.” (Beijing XINHUA Domestic Service in Chinese 0615 GMT 23 May 93)

Chen Xitong, Others Watch Reservists’ Military Performance—“Officers and men of the capital’s reserve forces met on 25 May to mark the 10th anniversary of the establishment of the Chinese Liberation Army Reserve Forces. They also demonstrated their military skills during the meeting. Chen Xitong, Cao Gangchuan, Du Tiehuan, Wang Chengbin and other leading comrades attended the meeting and watched the performance.” (Beijing XINHUA Domestic Service in Chinese 1259 GMT 25 May 93)

Li Desheng, Others Attend Corporation Founding Ceremony—“A ceremony to lay the cornerstone of the Huatang-Desiree Industrial Corporation—a joint venture of the Service and Development Center of the Great Hall of the People in Beijing, and the Desiree (Hong Kong) Co. Ltd.—took place in Sanhe City, Hebei, on 26 May. Lu Jiayi, vice chairman of the National People’s Congress Standing Committee; Hong Xuezhi, vice chairman of the National Committee of the Chinese People’s Political Consultative Conference; and Li Desheng, Yan Jici, and others attended the cornerstone laying ceremony.” Also present at the ceremony were Guo Shichang, vice governor of Hebei, and responsible persons of Langfang and Sanhe cities. (Beijing XINHUA Domestic Service in Chinese 1017 GMT 26 May 93)

Chen Xitong Meets IOC Member—“Chen Xitong, chairman of the Beijing 2000 Olympic Games Bidding Committee, had a meeting with Mr. Fandini, member of the International Olympic Committee, and his daughter at the Diaoyutai State Guest House on the evening of 27 May.” Extending warm welcome to them, Chen Xitong said: “Beijing’s bid for sponsoring the Olympic Games is for the purpose of opening China wider to the outside world and contributing to world peace through achieving greater economic growth and promoting friendly contacts with people the world over. By the year 2000, China’s population will have exceeded 1.25 billion, and the holding of the Olympic Games in Beijing will have an

enormous impact on disseminating the Olympic spirit. During the 11th Asian Games, over 170 million people in China took part in relaying the Asian Games torch. If Beijing is to sponsor the Olympic Games, an estimated 250-300 million people will take part in relaying the Olympic torch, and that will be something unprecedented in Olympic history.” Zhang Baifa and Wei Jizhong, respectively vice executive chairman and secretary general of the Beijing Olympic Games Bidding Committee, were present at the meeting. (Beijing XINHUA Domestic Service in Chinese 1519 GMT 27 May 93)

Playwright Visited by Jiang, Li Peng Personnel Before Death

OW1006125293 Beijing XINHUA in English 1229 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—Yang Hansheng, a reputed Chinese playwright and veteran revolutionary art worker, former vice-chairman of the China Federation of Literary and Art Circles (CFLAC), passed away on June 7 at the age of 91.

Yang was a trail blazer of the new Chinese culture movement in 1919, and an outstanding leader of the literature and art circles.

Yang, born in 1902, joined the Communist Youth League of China (CYLC) in 1924 and became member of the Communist Party of China (CPC) in 1925; took part in the Nanchang Uprising led by the Communist Party in 1927; took part in underground work in Shanghai in 1928; served as secretary of the Third Bureau of the Political Department of the Military Council of the Kuomintang Government from 1937 to 1945, under direct leadership of Zhou Enlai.

After the liberation of China in 1949, he served as member and deputy secretary-general of Culture and Education Commission under the Government Administration Council, deputy head of the Office of Premier Zhou Enlai, vice chairman and secretary of CPC Committee of the China People’s Association for Overseas Culture, vice chairman, secretary-general and secretary of CPC Committee of CFLAC; elected deputy to the first and second National People’s Congress (NPC), 1954-64; attended as non-voting participant in the Eighth CPC National Congress, 1956; elected deputy to the Twelfth CPC National Congress, 1982; member of the First, Second and Third National Committee of the Chinese People’s Political Consultative Conference (CPPCC), 1949-1964; member of the Standing Committee of the Fifth and Sixth CPPCC National Committee, 1978-1988.

When Yang was hospitalized, Jiang Zemin, general secretary of the CPC Central Committee and Chinese President and Premier Li Peng sent persons to visit him in hospital.

Yang had made important contribution to the establishment and development of the friendly relationship between China and Japan.

During the Cultural Revolution from 1966 through 1976, he was persecuted and put in jail for nine years, but he didn't yield to the "Gang of Four."

Yang firmly supported the guidelines and policies of CPC that have been adopted since the Third Plenary Session of the Eleventh CPC Central Committee in 1978, and the theory that was put forward by Deng Xiaoping to build socialism with Chinese characteristics.

Military

Chi Haotian Interviewed on Building Reserve Forces

OW1006044993 Beijing Central People's Radio Network in Mandarin 2230 GMT 8 Jun 93

[Interview with Minister of Defense Chi Haotian by Wang Shude, Pan Hongxing, and Zhang Dongwen; place and date not given; from the "News and Press Review" program—recorded]

[Text] Listeners, this year marks the 10th anniversary of the founding of our Army's Reserve Force. Recently, station reporters Wang Shude, Pan Hongxing, and Zhang Dongwen interviewed Chi Haotian, state councillor and defense minister. The following is the recorded interview.

[Begin recording] [Reporter] Comrade Minister [shou zhang], could you briefly tell us the nature, status, functions, and responsibilities of our country's reserve forces?

[Chi Haotian] Active servicemen form the backbone of the force, as well as reservists, who constitute the foundation. It is organized with uniformed structures and according to the methods [words indistinct]. The reserve force constitutes an important part of our Army's reserve service and provides an important form of organization for rapid mobilization. It is provided with (?serial numbers and weapons) by the Chinese People's Liberation Army [PLA]. The reserve force shoulders the lofty mission of building and defending the motherland. In the last decade, under the leadership of superior military organs and the local party committee and government, the reserve force has developed from scratch [words indistinct] into an important military force incorporating infantry units, artillery units, engineering corps, signal corps, antichemical warfare corps, naval units, air units, and antiaircraft artillery units.

[Reporter] Minister Chi, we are in the midst of an ever-changing, complicated international situation. In the 1990's, our country is shouldering the arduous task of reform and construction. Could you discuss what the new requirements for constructing our reserve forces are, given the current situation and tasks?

[Chi Haotian] Certainly. In his report to the 14th national party congress, Comrade Jiang Zemin, chairman of the Military Commission, stressed the need to strengthen our national defense by improving army building and making militia and reservist work successful. Recently, Chairman Jiang inscribed for the reserve force on the 10th anniversary of its founding: Strengthen the Building of Reserve Forces, Perfect the Rapid Mobilization Structure. Comrades Liu Huaqing and Zhang Zhen, vice chairmen of the military commission, also inscribed for the force separately. The instructions and inscriptions by the military commission's leading comrades have pointed the direction for building our reserve forces and put higher demands on us. We should follow the guidelines of the (?leading comrades') instruction, uphold the party's absolute leadership over the reserve forces in the course of its construction, and ensure its complete political reliability. We should strive to improve the work of rapid mobilization, fulfill the reserve force's military tasks, further optimize its structure, and improve its weapons and equipment. We should uphold military training, [words indistinct] and carry out the force's overall construction by paying close attention to quality and efficiency. [end recording]

Reserve Forces Expand Amid Reform, Opening

OW1006053293 Beijing XINHUA Domestic Service in Chinese 0442 GMT 29 May 93

[By RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646) and XINHUA reporter Gai Yumin (5556 3768 3787)]

[Text] Beijing, 29 May (XINHUA)—In the course of reform and opening up, our Army Reserve Forces have developed and expanded into a strong national defense force that is fairly large and well-trained. It has played an important role in safeguarding national security and developing the socialist economy.

The establishment of a reserve force was a major policy decision made by the party Central Committee and the Central Military Commission in light of the country's national and military conditions. When the first reserve divisions and regiments were formed in China in 1983, Comrade Deng Xiaoping fully affirmed the move, saying: "The creation of a reserve force is a good measure."

It has been disclosed that after 10 years of hard work, our Army Reserve Forces have expanded progressively—from being nonexistent to a small, and later, fairly large force. At present, it not only consists of infantry, artillery, and antiaircraft artillery divisions, but also special regiments such as armored, signal, engineering, antichemical warfare, and tank-destroyer troops. With combat effectiveness as their criterion, all reserve divisions and regiments have embarked on extensive regularized education, training, and management, thereby notably improving their ability to mobilize swiftly and to fulfill their missions.

With active-duty military personnel as their backbone and reserve officers and men as their basic members, reserve units have their own designations and military colors. Their structure is similar to that of active-duty units, and they train and manage their troops in accordance with active-duty requirements. Civilians in peacetime, reserve soldiers can be mobilized and assembled rapidly to systematically perform their missions should the need arise. The creation of a force that is both military and civilian in nature is a strategic change effected by our Army to fit the guiding thoughts on national defense, as well as a significant measure aimed at subordinating our Army to the general interests of national economic construction, at improving troop quality, and at strengthening national defense. It is of great strategic significance to establish a strong reserve force with Chinese characteristics and to maintain and enhance overall national defense capability.

The formation of a reserve force is an effective way to keep relatively few troops in peacetime while ensuring rapid mobilization of large numbers of troops in wartime. With the energetic support of military regions and local party committees and governments at all levels, and according to the requirements of "working organizationally, being politically qualified and well-trained, possessing complete sets of fine equipment and facilities, establishing a sound system, and ensuring rapid mobility," reserve divisions and regiments have done a solid job in training, management, and grass-roots work, scoring marked achievements in this respect. Command organs for reserve divisions and regiments are sound, and military work is being carried out organizationally at the grass-roots level. Reserve officers and men are politically reliable and militarily competent. Troops are basically structured in a rational way, and they are equipped with a preliminary infrastructure, with most divisions and regiments having training bases and fairly complete supplementary facilities for teaching, training, and daily use. All reserve units train their officers and men in rotation, with particular emphasis on military training, to continuously elevate their combat effectiveness. Having strengthened political work, reserve units continue to perfect various rules and regulations to lead army building onto the track of sound development.

Our Army Reserve Forces have also played an important role in fighting against natural calamities, in accomplishing urgent and dangerous missions, in safeguarding public order, and in propagating spiritual civilization. During their fight against fires in the Daxinganling mountain area, reserve officers and men worked 18 days and nights and made contributions to the people. When a devastating flood struck east China, all local reserve divisions and regiments were mobilized to rescue and evacuate more than 600,000 people, to reinforce 14 km of dikes and dams, and to transport several thousand tonnes of materials. On the construction sites of key state projects, reserve units have been organized into an important shock force. According to statistics, 42 advanced units and numerous advanced individuals in

the reserve forces were commended in recent years by the Ministry of National Defense and the General Staff Department of the People's Liberation Army.

Liu Huaqing, Other PLA Leaders Attend Soiree

OW0906081793 Beijing XINHUA Domestic Service in Chinese 1328 GMT 3 Jun 93

[By reporter Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 3 Jun (XINHUA)—The People's Liberation Army [PLA] Environmental Protection Commission and the Naval Environmental Protection Commission held a large theatrical soiree here tonight to commemorate the 5 June World Environmental Day and the 20th anniversary of the start of the PLA's environmental protection work.

Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission; Zhang Zhen, vice chairman of the Central Military Commission; Hong Xuezhong, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee; and leading comrades of the PLA General Political Department, General Staff Department, General Logistics Department, and major PLA units stationed in Beijing, including Zhang Wannian, Yu Yongbo, and Zhou Keyu, attended the soiree.

The Haizheng Song and Dance Ensemble and Haiwa Children's Art Troupe performed meticulously prepared programs in praise of the blue sky, the ocean, and the green land.

Economic & Agricultural

Regions Said Resisting Efforts To Cool Economy

HK1006011593 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 93 p 10

[Report by Chris Yeung]

[Text] Plans by the central government to cool the economy have met strong resistance from the regions, according to Chinese sources. The sources said that in spite of rhetoric about the soundness of the economy, the leadership was "alarmed" by economic dislocations in the past few months, particularly the money market.

The issue topped the agenda of a high-level meeting attended by party General Secretary Jiang Zemin, Premier Li Peng, Executive Vice-Premier Zhu Rongji and provincial heads in early April. At that meeting, a source said the party leadership had failed to convince the regions of the regulate the "chaos" in sectors such as the money market. It is understood the central government was worried by the rapid pace at which regions had expanded projects, such as industrial parks.

Sources said the Beijing leadership had decided after the meeting to visit the regions "to talk to them one by one" on the need to arrest the overheating economy. But their efforts had failed to convince regional leaders, a source said.

For example, Mr Jiang told a meeting of senior cadres during a tour in Shanghai that there would be adverse effects if the economic illness went untreated. The source said the party chief had pointed specifically to the need to have a "full and correct" understanding on the speeches given by Deng Xiaoping.

It is understood the central leadership is worried that the regions have taken the words of Mr Deng at face value by speeding up growth without considering the overall needs of the country.

The source said the differences between the central government and the regions had also been sharpened as the shortage of funds triggered by unregulated investments becomes acute. According to sources, the central treasury is facing a severe lack of funds.

Article Views Deng's Ideas on Building SEZs

HK0906150093 Beijing GUANGMING RIBAO in Chinese 25 May 93 p 3

[Article by Liu Guoguang (0491 0948 0342), vice president of the Chinese Academy of Social Sciences: "On Deng Xiaoping's Ideas Regarding Building Special Economic Zones"]

[Text] Comrade Deng Xiaoping's idea about building special economic zones [SEZs] is the most distinct and important component part of his thinking on reform and opening and is also an important part of the theory on socialism with Chinese characteristics which was mainly developed by him. In this sense, we can say that Comrade Xiaoping's theory on special economic zones has enriched and developed Marxism. We can also draw the following conclusion: The establishment of SEZs is a very typical example of Comrade Xiaoping's development of Marxism.

Theoretical Significance of Deng's Idea on Building SEZs

First, it is a vivid demonstration of the ideological line of "emancipating the mind and seeking truth from facts."

Shortly after the end of the "Great Cultural Revolution," people's minds were still shackled by many "Leftist" ideas and traditional thinking patterns. In those circumstances, Comrade Deng Xiaoping put forward the theory of establishing SEZs. This fully demonstrated Comrade Xiaoping's wisdom and courage as a great proletarian revolutionary and his foresight as a Marxist. As everybody knows, because of the long-standing influence of the guideline of "taking class as the key link," people generally contracted the "disease of fearing capitalism." In view of such "Leftist" influence, Comrade Xiaoping

repeatedly engaged himself in persuasion and education. Beginning in the period around the Third Plenary Session of the 11th CPC Central Committee up to his important talks during his inspection of the south early last year, he has made constant efforts in this regard. He called for emancipating the mind, adopting the opening policy, absorbing foreign funds and technology, and learning from the advanced management experiences of foreign countries. The spirit of emancipating the mind and seeking truth from facts also finds concrete expression in the selection of the sites for the establishment of SEZs. Among the five SEZs in our country, Shenzhen was the first and Hainan was the last and largest. These two SEZs can be compared to different places. Shenzhen can be compared with Hong Kong and Hainan can be compared with Taiwan. While selecting these two places to run SEZs, Comrade Xiaoping admitted the existence of a gap and did not deny their existing backward conditions. However, he firmly believes in the superiority of the socialist system. As the Shenzhen SEZ is being run according to Comrade Xiaoping's idea, the gap between Shenzhen and Hong Kong in the aspect of material civilization construction has been drastically narrowed, while Shenzhen's spiritual civilization is superior. As a result, many previous emigrants from Shenzhen to Hong Kong returned. Comrade Xiaoping also gave the same consideration to establishing the Hainan SEZ when he proposed it.

Second, the idea of judging whether something bears the "surname" socialism or capitalism with the three criteria of "being beneficial" enriched the theory of practice being the sole criterion for testing truth. The issue of judging whether something bearing the "surname" socialism or capitalism is a practical issue rather than one about abstract concepts. As for the criterion for judging whether something bears the "surname" socialism or capitalism, Comrade Xiaoping pointed out that when judging whether something bears the "surname" socialism or capitalism, we should mainly see whether it is beneficial to the development of the productive forces in socialist society, whether it is beneficial to the growth in the comprehensive national strength of the socialist country, and whether it is beneficial to the enhancement of the people's living standards. These are the three criteria of "being beneficial" as we usually call it. The three criteria of "being beneficial" add richer and more concrete contents to the practice criterion. Comrade Xiaoping used the three criteria of "being beneficial" to directly answer the question as to whether or not the SEZs bear the "surname" socialism or capitalism. Therefore, they are of direct guiding significance for evaluating the past practice of the SEZs and guiding their future. However, the guiding significance of the theory about the three points of "being beneficial" is not limited to the SEZs, nor is it limited to the issue of judging whether something bears the "surname" socialism or capitalism. It represents a universal truth. In Comrade Jiang Zemin's report to the 14th Party Congress, they were taken as the fundamental criteria for

judging right and the wrong and assessing the gains and the losses in our work in all fields.

Third, the brand-new theory of running socialist SEZs goes beyond the scope of foreign practice and experience in running SEZs. As everybody knows, before Comrade Xiaoping proposed the establishment of SEZs, some foreign countries had also set up their own SEZs. As early as in the mid-16th century, in order to break through the feudal obstacles and open up a world market, the new rising bourgeois class in some European countries set up special trade zones. After the end of World War II, most SEZs were "export-oriented processing zones." In the 1980's, special zones for developing high technology emerged. Various types of SEZs in foreign countries were established to serve only one single purpose and they only performed one single function. Except for different policies being adopted to make the SEZs perform a certain function, there were basically no differences between a special zone and other parts of the country. Things in our country's SEZs are quite different. As for the functions of the SEZs, Comrade Xiaoping said that they should play a role as a "window" for four things and as a "base." Thus, they greatly surpassed all special zones in foreign countries. Comrade Xiaoping also required that the SEZs function as a locomotive to bring along the development of the whole province and the whole interior area, and function as centers for across-the-board opening at various tiers, namely, the open cities and coastal open areas, the Chang Jiang valley, and the whole country. He required the SEZs to take the lead in making bold explorations and breakthroughs in the reforms and gain experience which can be taken as reference by the whole country and can blaze a new trail for bringing the superiority of socialism as compared to capitalism into play. All this constitutes a theory about building socialist SEZs with substantial content and also further enriches the theory about building socialism with Chinese characteristics.

Practical Significance of Deng Xiaoping's Idea on Building SEZs

The practical significance of Comrade Xiaoping's idea about building SEZs finds expression in the great achievements made by the SEZs and also in their impact on the whole country and even the whole world.

First, Comrade Xiaoping's idea about running SEZs is not limited to the general instructions on what kind of SEZs are to be set up and how to run them; instead, at every crucial juncture, he gave concrete instructions and support, thus guaranteeing the healthy and high-speed development of the SEZs. For example, the Shenzhen SEZ, which was set up earlier than the others, has grown from a poor little border town into a rather sizable modern city which can perform a variety of functions. It created the "Shenzhen speed" which attracted worldwide attention. Other SEZs have also made amazing achievements. The facts of the economic development in the SEZs prove that socialism can achieve a growth rate

much higher than capitalism and also demonstrates the strong vitality and dynamism of Comrade Xiaoping's idea about running SEZs.

Second, Comrade Xiaoping's idea about building SEZs has promoted forming an across-the-board opening pattern in the whole country in two aspects. On the one hand, implementing Comrade Xiaoping's instruction about playing a role as a "window" and a "base," various SEZs absorbed funds, advanced technology, management experience, and technical manpower from overseas areas (including Hong Kong, Macao, and Taiwan) according to the special policies in the course of developing their outwardly-oriented economies. This enabled us to acquire better knowledge about the outside world and master technology and management skills; at the same time, this also enabled overseas businessmen to know China better, including China's national conditions, culture, foreign policy, and investment environment. This brought about some useful phenomena. As the first phenomenon, through some domestic institutions and personnel coming to the SEZs or having relations with the SEZs, the technology and management skills they had learned there were transferred to other parts of the country. As the second phenomenon, domestic institutions in the SEZs, and even workers coming from other parts of the country to the SEZs, introduced overseas businessmen they knew in the SEZs to various parts of the country for setting up joint ventures. As the third phenomenon, some overseas businessmen who invested in joint ventures in the SEZs directly set up new branches in areas outside the SEZs or sought new cooperation partners to open up their new investment scope. When seeing the advantages of opening up to the outside, various localities were naturally willing to accept such overseas investments.

On the other hand, after the SEZs had operated for a certain period, we could see the actual results of Comrade Xiaoping's strategic concept and then made a decision on further expanding the scale of opening. Successively, 14 coastal cities, the Chang Jiang Delta area, the Zhu Jiang Delta area, the Southeast Fujian triangular area, and the loop around Bo Hai Bay were turned into economic open zones. In the last two years, more border areas were opened, capitals of interior provinces were named open cities, and Shanghai's Pudong District was designated as a locomotive for the development and opening in most cities on the banks of the Chang Jiang. These two aspects constituted the multi-tiered across-the-board pattern of opening in our country in the 1990's. Without Comrade Xiaoping's idea about building SEZs and without the practice of the SEZs, today's across-the-board opening pattern would not have emerged.

Third, and more importantly, Comrade Xiaoping's idea about building SEZs paved the way for finally achieving the reform objective of establishing a socialist market economy. According to Comrade Xiaoping's idea about building SEZs, our economy must be linked to the international market. In order to open up to the outside

world and to cooperate and run joint ventures with foreign investors, we must carry out market-oriented reforms. Comrade Xiaoping's instruction on absorbing and learning from the developed capitalist countries' advanced management methods which reflect the regularity of modern production, and the three criteria of "being beneficial" for judging right and the wrong, directly supported the market-oriented reforms. In its initial period, the Shenzhen SEZ adopted the notion of regulating the economy mainly through the market, which greatly benefited its economic development. According to Comrade Xiaoping's thinking, in January, when the Hainan Investigation and Study Group from the Chinese Academy of Social Sciences helped Hainan formulate the development strategy in the course of establishing the province and the large SEZ, it explicitly pointed out that Hainan should "build a socialist market economy." It was the first time that building a socialist market economy was taken as the reform objective. Both the cases of Shenzhen, which decided to regulate the economy mainly through the market, and of Hainan, which aimed the economic structural reform at building a socialist market economy, played a major and significant role in the SEZs' economic reform and development. After they took the lead, the whole country also took the establishment of a socialist market economy as the reform objective before long. At the 14th party congress, establishing and improving the socialist market economy was officially adopted as the objective of the economic structural reform. Without the great practice of market-oriented reform, and without Comrade Xiaoping's theoretical generalization of such practical experience, it would not have been possible for the 14th party congress to adopt establishment of the socialist market economy as the reform objective.

Certain Questions for Further Consideration in Constructing SEZs

As reform in our country is rapidly advancing in depth and opening is expanding across the board, the development of the situation has brought many new questions which require further explorations according to the theory on building socialism with Chinese characteristics and in the course of the continuously developing practice.

First, the further development of the SEZs.

From the SEZs and coastal areas, opening has been advanced to areas along the Chang Jiang, areas along the land borders, and the interior cities, with favorable policies similar to those in the SEZs being adopted there. As a result, it seems that there is nothing "special" in the SEZs. How should the SEZs further develop? Will their role as "windows" and "bases" be changed? Is it necessary to give new and more special policies to the SEZs? In my opinion, the policy advantages of the SEZs are indeed being attenuated but they still enjoy the advantages of being the first to open up and being located in favorable geographic positions. To a certain degree, the latter can offset the disadvantageous factor caused by the

attenuation of their policy advantages. So, we cannot generally say that there is nothing special in the SEZs. They will continue to play a pacesetter role in reform and opening and will continue to perform their "window" and "base" functions. In the future, the SEZs can nurture the development of the interior areas through enhancing the level and increasing the efficiency and productivity. Of course, there will still be many questions to be further considered. For example, how should the SEZs upgrade their industrial structure and optimize their product mix? How should they further expand the scope and raise the degree of opening? Will they provide experience for the whole country in fostering the market and improving the operation of macroeconomic control over the market economy? All these questions require consideration.

Second, how should interior areas learn from the experience of the SEZs and further advance their opening?

Under the situation of across-the-board opening, many interior localities are adjusting their policies to make them more favorable than those in other localities to win victory in the competition to attract foreign investment for faster development. Some localities have even announced that their policies were more favorable than those in the SEZs. How should we approach and handle this phenomenon? What measures should the state adopt to exercise control and regulation? How should these localities behave themselves?

Third, the gap between the SEZs, the coastal areas, and the interior areas.

In recent years, the gap in economic development has been widening between the coastal areas, including the SEZs, and the interior areas, especially those in central and west China. How should we view this issue? Of course, uneven development between different areas will inevitably exist and regional differences will never be eliminated. However, it is also certain that the gap should be narrowed gradually. How can we narrow the gap? What steps should we adopt for this purpose? Should we rely on adjusting the favorable policies in various areas or rely on adjusting the industrial-biased policy?

Fourth, what impact will China's return to GATT produce on the construction of the SEZs and our country's opening? What countermeasures should we adopt? And so on.

The study and settlement of the above questions will be of great significance for the further development and advancement of the SEZs in our country and also for the advance of the whole country's reform, opening, and economic development.

Beijing Hosts National Seminar on GATT

HK0806121693 Beijing RENMIN RIBAO in Chinese
5 Jun 93 p 4

[By reporter Zhu Kunrong (2612 0981 2837): "National Seminar on the General Agreement on Tariffs and Trade Held in Beijing"]

[Text] The nine-day national advanced seminar on the General Agreement on Tariffs and Trade concluded in Beijing on 2 June. Approximately 150 experts, scholars, and figures from economic circles from 29 provinces, municipalities, and autonomous regions participated in the seminar's activities. Approximately 160 papers were submitted to the seminar.

The seminar was organized by the State Socioeconomic Decisionmaking Advisory Center. The Chinese delegation that had earlier participated in the Uruguay Round of talks briefed participants on the latest trends of the talks, and the participants themselves conducted extensive and in-depth discussions on the effects of the restoration of China's GATT membership and the policies likely to be adopted.

Chen Siyuan and Sun Fuling met with deputies to the seminar, and Ma Wenrui wrote an inscription for the seminar.

Socialist Market Economy Making 'Great Progress'

OW1006060793 Beijing XINHUA Domestic Service in Chinese 1129 GMT 1 Jun 93

[By reporters Ma Jiyuan (7456 1323 0337) and Tian Shubin (3944 5289 2430)]

[Text] Suzhou, 1 Jun (XINHUA)—Information released at the National Experience-Exchange Meeting on Market Work convened by the State Planning Commission in Suzhou today shows that China has made great progress in developing a socialist market economic system. An initial socialist market economic framework has taken shape, and market mechanisms are playing a major role in the allocation of resources.

Thanks to sustained efforts in deepening reform of the economic structure, China's market and circulation sectors have undergone profound changes in recent years. The state has successively abolished its monopoly on purchasing and marketing manufactured goods, as well as the unified purchase of farm products by state quotas. Categories of agricultural goods, manufactured consumer goods, and agricultural means of production subject to unified state management have dropped from 68 in 1979 to 15; categories of capital goods subject to unified distribution have dropped from 256 to 19. Except for a very small number of commodities, all restrictions on the circulation of most commodities have been lifted. An open market structure characterized by the coexistence of diverse forms of ownership, modes of

operation, and multiple channels of circulation is gradually replacing the old structure marked by monopolies, a single channel of circulation, and closed and scattered operations. A diversified market system is beginning to take shape.

Markets for consumer goods have developed rapidly and commodity exchanges are brisker than ever. By the end of last year, the number of market fairs in cities and rural areas across the nation rose to 79,300; their combined turnover was around 353 billion yuan, accounting for one-fourth of the total volume of retail sales. Large wholesale markets have been established one after another; the nation now has 2,500 consumer goods wholesale markets. These wholesale markets have played a prominent role in developing new modes of circulation, expanding new channels of marketing, and enlivening commodity circulation. Fairly great progress has been made in developing the capital goods market. By the end of 1992, the nation had more than 3,000 such markets. The nation's 30 or so banks have also set up a short-term bank loan market, breaking the old structure that relied solely on indirect fund accumulation by banks. As of now, the nation's stock issuance has reached 38.9 billion yuan, with over 5,000 enterprises trying out the shareholding system. More than 70 shareholding companies are listed on the Shenzhen and Shanghai Stock Exchanges. Meanwhile, labor service and technology markets have also seen some development.

The incremental establishment of a socialist market economic system has injected new vitality and energy into China's circulation sector, and a fine trend of sustained development has emerged. The nation's total volume of retail sales in 1992 reached 1.08 trillion yuan, a five-fold increase over 1978.

Li Lanqing, Wu Yi Address Trade Teleconference

OW0806144393 Beijing XINHUA in English 1337 GMT 8 Jun 93

[Text] Beijing, June 8 (XINHUA)—Senior government officials said here today that China should make every effort to boost exports so as to fulfil this year's task.

According to business statistics from the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), Chinese trade volume in the first five months of this year hit a record high of 50 billion U.S. dollars.

Despite the continuous increase in trade since the beginning of this year, the country's export volume is being challenged: a slow rise in March following a letdown in the first two months.

All the departments involved in foreign trade and economic cooperation, export production enterprises and other government organs should by no means ignore the current situation, which is quite serious for exports, said Chinese Vice-Premier Li Lanqing at a national telephone conference on foreign trade held here this evening.

Trade companies should speed up the pace of function-changing and improve the contract responsibility system, Li said, while government departments should continue to implement the policies of giving lending priority to foreign trade companies and improving the export drawback system.

He said that China will increase government loans toward purchasing of foreign goods.

MOFTEC Minister Wu Yi joined the call at the conference, and at the same time analysed the causes for slow growth of the country's exports.

She reminded all foreign trade departments to pay more attention to improving the quality of export commodities while increasing exports.

Urge Efforts To Boost Exports

*HK0906083093 Beijing CHINA DAILY in English
9 Jun 93 p 3*

[By staff reporter Wang Yong: "Efforts To Be Made To Boost Exports"]

[Text] China's foreign trade surged by 18.9 percent to \$50.09 billion in the first five months, despite slow growth in exports.

A top Chinese official confirmed the heady trade momentum in Beijing yesterday at a national foreign trade conference by telephone, but added: "Exports have bogged down in some difficulties."

Vice-Premier Li Lanqing said the State has taken and will take effective steps to guarantee the targeted export volume for 1993.

"We will increase loans to bolster export purchases this year, and the Bank of China must see to it that the loans be well used," he said.

Wu Yi, Minister of Foreign Trade and Economic Cooperation, said the status quo in exports allows no optimism.

China's exports posted negative growth in the opening two months.

"Although it has recovered since March, the pace is undesirable," she said.

There are eight reasons for this:

- China's national economy kept its buoyant streak in the first five months, stimulating the domestic consumption market, especially the demand for means of production;
- Rocketing domestic prices sent export costs spiralling upward;
- Export purchases faced falling funds;
- The depreciation of renminbi, as reflected in soaring foreign currency swap centre prices, exacerbated

China's dual-rate foreign exchange system (one is official, the other is swap centre's);

- Policies to support exports were hard to implement;
- Transportation was bottlenecked, especially railway transportation;
- The management mechanism of foreign trade companies failed to square up to the changed conditions (Wu did not explain how);
- Export management failed to meet the increasing challenge due to lacklustre macro-control by the government.

Vice-Premier Li pointed out that exporters must stop competition with each other by undercutting export prices at the expense of State interest.

To sustain long-term export momentum, he said, China must lose no time in diversifying its overseas markets while consolidating traditional ones, such as Hong Kong, the United States, Japan and the European Community.

"We should strive to plough the markets in the Commonwealth of Independent States, Eastern Europe, East Asia, Africa and South America," he told the conference.

He said China would allow more domestic enterprises to engage in foreign trade to enhance its exports.

Wu called on China's foreign trade authorities at various levels to focus their resources to develop exports this year.

Li Yining Urges Faster Financial Reform

*HK0906054093 Hong Kong TA KUNG PAO in Chinese
8 Jun 93 p 2*

[Report: "Noted Economist Li Yining Expounds on Inflation and Urges Speeding Up Reform of Financial Structure"]

[Text] Yesterday, noted Chinese economist Li Yining pointed out that China's inflationary pressure is a result of an overstretched investment scale and lagging economic reform. To solve this problem, it is necessary for banks to readjust interest rates and for the government to readjust tax rates. However, at present, there are still restrictions on the Chinese Government in taking such measures.

Professor Li Yining, director of the Economic Management Department of Beijing University, made a speech on China's inflation problem at a luncheon given yesterday by the Hong Kong Economics Association.

Li Yining stated: Inflation usually takes place in two sorts of countries: Economically poor countries and countries undergoing fast economic development. China belongs to the latter category. Inflation has been caused mostly by overstretched investment and partly by price readjustments. Nevertheless, overstretched investment does not necessarily cause high inflation, and in China inflation is caused by lagging economic reform as the economy grows.

Li Yining said: The main manifestations of lagging economic reform are: first, as reform of the investment structure lags behind, investors do not take any investment risks, and this results more easily in the growth of investment and inflation, and, second, as reform of the financial structure is lagging behind, the central bank has been unable to become a genuinely independent financial institution and the other commercially run banks are not genuine enterprises able to assume full responsibility for profits and losses.

Li Yining stated: The two above-mentioned factors have led to certain phenomena, such as the fall in the renminbi's exchange rate and enterprises and individuals being reluctant to spend available foreign currency. He suggested that the central government should: 1) increase the supply of foreign currency, increase bank interest rates, and absorb foreign currencies in the hands of the people; 2) open the B-shares market to domestic foreign currency holders to absorb foreign currency in the hands of the people; and 3) encourage exports, because the fall in the exchange rate will benefit export enterprises.

As far as measures to reduce the demand for foreign currency demand are concerned, Li Yining proposed that the central government should prevent local authorities from setting up development zones in an unplanned way and the construction of redundant projects by using administrative decrees and taxation.

However, Li Yining pointed out: These measures would not be able to solve China's inflation problem once and for all. To really solve the problem, it is necessary to expedite economic reform, let investors bear investment risks, and reform the financial structure. He stated: We should adopt fine tuning rather than pursuing an overall policy of deflation. Otherwise, the gap between the coastal and hinterland areas will widen, large and medium-sized state-owned enterprises will be adversely affected, supply will be disrupted, and projects under way will come to a stop. Thus, the resulting costs would be too high.

Li Yining went on to point out: By adopting fine tuning measures, we mean readjusting interest rates through the banks and readjusting tax rates through the government. However, the fine tuning methods the Chinese Government can adopt at present are limited. It cannot use the central bank to buy and sell bonds and foreign exchange certificates as foreign countries do and it cannot adopt free market methods.

State To Allow Foreigners To Rent Enterprises

OW0906085693 Beijing XINHUA in English 0752
GMT 9 Jun 93

[Text] Beijing, June 9 (XINHUA)—China is considering letting foreign investors to contract for or rent the country's large and medium-sized enterprises, a senior government official said here today.

This is part of the efforts China is making to encourage foreign investors to put their money on reforming tens of thousands of its old enterprises, most of which are large and medium-sized ones set up in 1950's and 1960's, an official from the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) said in an interview with XINHUA.

The official said that more preferential policies will be outlined for use of foreign investment to reform old enterprises, which have been playing an important role in the national economic development but are in a crying need for reforming of their obsolete equipment.

Declining to give any details about the new policies, instead, the official said that a set of draft measures will soon be published after being approved by the State Council.

However, he said, suggestions have been raised that the state should give preference for the old enterprises' use of foreign investment in ensuring the needed counterpart fund, raw materials, energy, fuels, transport facilities, foreign exchange and taxation.

According to the official, China will also adopt more flexible measures for old enterprises' reform through use of foreign fund.

Besides setting up joint ventures or cooperative enterprises, China will allow old enterprises to form limited-liability companies with their foreign counterparts and allow foreigners to contract for or lease old Chinese enterprises, said the official in charge of the foreign investment administration.

China has been giving priority to the old enterprises' reform through use of foreign investment ever since the initial stage of China's opening to the outside and achieved much progress, the official said, and during the 1979-85 period, the foreign investment for reforming old enterprises covered some 70 percent of the total foreign investment China used then.

Many old enterprises have set up new management mechanism based on the market demand after they established joint ventures with their foreign partners, the official said, and both the productivity and profit rates of such enterprises are higher the country's average.

The official noted that old enterprises have some advantages in utilizing foreign capital, which include ready equipment, skilled workers as well as experienced technicians and managers.

In recent years, however, the craze of setting up development areas has moved most foreign funds away from the old enterprises and the proportion of foreign investment used to retool these old enterprises dropped, the official said.

China used the biggest amount of foreign fund last year since 1979, yet those used by old enterprises took up only 20 percent of the total and the rate is still going down this year, he added.

Therefore, the official said, the government should attaches much importance to pooling the initiative both of old enterprises and foreign investors in reforming the old enterprises.

'Huge Amount' of Funds Sought for Steel Project

HK1006093493 Beijing CHINA DAILY in English
10 Jun 93 p 2

[Article by staff reporter Zhang Yuan: "Steel Plant Beneficiary of Large Fund Drive"]

[Text] China's leading capital investment fund supplier yesterday announced it would seek to raise a "huge amount" of hard cash funds on the overseas financial market for a giant steel project in Shanghai.

The People's Construction Bank of China is expected to sign an agreement tomorrow in Shanghai with the Shanghai Baoshan Iron and Steel Complex on raising hard cash funds from abroad.

The funds will be used for construction of the third phase of the Baoshan Iron and Steel Complex, Mao Yumin, deputy general manager of the bank's International Department, disclosed yesterday in Beijing.

Mao refused to specify the figure of the funds to be raised from abroad, but said that it would be the bank's largest overseas fund-raising move. The bank, a couple of years ago, raised several hundred million US dollars in funds for the construction of a large petrochemical project in Shanghai.

Mao said that methods of fundraising would include: Foreign export credit, organizing syndicated loans from European commercial banks, issuing hard cash bonds in foreign financial markets and borrowing foreign mixed loans, preferential loans and soft loans.

The bank will be the sole financial institution on the mainland responsible for raising the hard cash funds needed for the construction of the third-phase of the Baoshan Iron and Steel Complex. Meanwhile, it will also shoulder all financial risks.

With the funds, the Baoshan Iron and Steel Complex will be able, together with renminbi yuan funds to be raised by the complex itself, to build the third-phase with a designed annual production capacity of 4 million tons of steel, mainly silicon steel and tin steel plates.

Silicon steel and tin steel plates, the demand for which are rising on the domestic market, are mainly imported from abroad at present and the third-phase project is expected to help ease the short supply of such steel plates, Mao said.

The project will also push annual production capacity of the Baoshan Iron and Steel Complex to 10 million tons by the end of this century from the present figure of 6 million tons.

The Baoshan Iron and Steel Complex, built after the country adopted its open policy in 1978, is now one of the largest steel makers in China. Last year, the complex turned out 6 million tons of steel and made more than 3.03 billion yuan (\$532.28 million) in pre-tax profits.

The bank gave strong financial support to construction of the first-phase and second-phase projects of the Baoshan Iron and Steel Complex. Its Shanghai municipal branch managed all the 30 billion yuan (\$5.26 billion) investment in the first-phase and second-phase projects.

Meanwhile, the branch also provided a total of 8.98 billion yuan (\$1.57 billion) of capital investment and working capital investment and working capital loans to the complex, having guaranteed smooth construction of the country's giant steel project.

To further support the country's key construction projects, the bank has decided recently to raise a total of 244 billion yuan (\$42.81 billion) of funds from the domestic market in the next three years.

Of the total, 200 billion yuan (\$35.08 billion) will be newly-attracted savings deposits while the rest, 44 billion yuan (\$7.71 billion), will come from the issuance of bonds in the domestic financial market.

Shanghai Auto Firm Holds Technology Import Fair

OW0806221293 Beijing XINHUA in English 1419
GMT 8 Jun 93

[Text] Shanghai, June 8 (XINHUA)—The Shanghai Automotive Industry Corporation held a business fair yesterday here on import of technology and equipment in a bid to produce more Santana sedans.

Officials and businessmen from foreign consulates and nearly 200 overseas and home companies and other institutions discussed the possibility of cooperating with the host.

They are invited to provide a large variety of technology and equipment necessary for expansion of production.

The sales value of the corporation was 15.5 billion yuan last year, ranking second among China's large enterprises.

Lu Jian, president of the corporation, an industrial group mainly based on the Shanghai Volkswagen Automotive Co. Ltd., said that his company was planning to produce more than 200,000 Santana sedans by 1995, and the percentage of domestically-made parts would rise from the present 75 to 85 by that time.

To consolidate its market share, the corporation will put out a new type of Santana sedan next year, Luo said.

He also announced that the 100 000 Santana sedans his company is planning to produce this year have already been ordered.

Official Says New Rules To Govern Futures Markets

OW1006075493 Beijing XINHUA in English 0659
GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—China is enjoying booming futures business, and nationwide, there are 21 futures markets and over 360 futures brokerage firms.

However, some Chinese economists say that conditions are not ready for a large-scale development of futures transactions at the present stage.

According to them, futures brokerage firms are developing too fast in China, including many "underground", and the result is disorder and unlawful trading in futures transactions in some places.

Moreover, most of the futures investors know little of futures trading which may bring them huge losses.

The experts say that the lack of related laws and regulations rules and a shortage of professional personnel and expertise in this field held back the sound development of futures markets.

The most urgent thing at present, according to them, is to work out related laws and regulations as soon as possible to impose supervision and administration over futures trading.

Experts say that futures markets and firms should be under the state's unified control and guidance. Priority should be given to the economically advanced regions in running futures markets.

An official with the State Administration for Industry and Commerce revealed here today that China will issue "the rules of administration over futures markets" very soon.

According to the new rules, a body under the State Council will conduct macro control of the state's futures trade; the China Futures Market Supervision and Administration Committee will be the administrative organ; the State Administration of Industry and Commerce will take charge of registration.

Under the rules, a futures exchange with a registered capital of at least 100 million yuan (about 17.5 million U.S. dollars) and a futures brokerage firm with registered capital above 10 million yuan (about 1.75 million U.S. dollars) will be allowed to register.

The rules lay stress on banning illegal dealings of various kinds in futures transactions.

Report on Stock Company Scam, Culprit Arrest

HK1006022093 Hong Kong WEN WEI PO in Chinese
8 Jun 93 p 2

[Dispatch by staff correspondent Chen Chien-ping (7115 1696 1627): "Inside Story of a Lawsuit Against Li Guixian"]

[Text] Beijing, 7 Jun (WEN WEI PO)—Informed sources here revealed that details about the lawsuit filed this March by the Great Wall Corporation against Li Quixian, which was a national sensation and is not yet over, have become clear after months of investigation jointly conducted by the State Administration for Industry and Commerce, the People's Bank of China, the Auditing Administration, public security departments, and courts. An official announcement of the results of the investigation will be made later. Under the central directive that the case is a civil dispute between the Great Wall Corporation and its shareholders, and that the government and bank would not shoulder any responsibility, the Great Wall Corporation is now being liquidated to repay shareholders. The main culprit of the case has been officially arrested.

Financing Through Illegal High-Dividend Payments

The full name of the Great Wall Corporation is "Beijing Great Wall Machinery and Electric Technology Development Corporation." The informed source said the it became a criminal case when Great Wall raised over 1 billion yuan from the public by offering a high 24 percent annual dividend rate, thereby violating directly a state regulation that limits the dividend rate offered to attract public funds to no more than 40 percent above the bank's current savings rates. That is why the State Council determined in the circular issued a few days ago that the Great Wall case was one of financing through illegal high-dividend payments. But the case became increasingly complicated as it developed. Great Wall did not think it had violated state regulations. It bribed press reporters and state officials with huge sums of money and tried to create an opinion climate with claims of representing the interest of 200,000 shareholders, pointing out the significance of this number of people for social stability in a bid to force the People's Bank of China to make concessions. It created a sensation. Then the State Council called a special emergency meeting on 27 April instructing the State Administration for Industry and Commerce, the People's Bank of China, the Auditing Administration, public security departments, and courts to form a joint investigative group to investigate the case in Beijing and other places in the country.

A Large Capital Gap Shows Up

The source said that the greatest problem now is that Great Wall's liability is greater than its assets and a huge capital gap has been uncovered, which is creating many difficulties for the liquidation to repay shareholders. The main reason for the large capital gap was that Great Wall spent the funds raised on non-operating expenses such as

money for company executives' personal expenditures, and company money often ended up in personal accounts or was spent on bribery, and so on. Take the Great Wall chief person-in-charge as an example. At almost every news conference, money was lavished on every attendee. When the whole thing was exposed and the company learned that the central authorities had launched an investigation, Great Wall again held a news conference at which it suggested auctioning off the company for \$100,000 and raising the dividend rate to 48 percent. The following day the company person-in-charge transferred 1 million yuan into his wife's bank account, claiming that it was for a family settlement. He was discovered and arrested at Beijing airport when he tried to leave the country with a fake passport.

The liquidation of Great Wall to settle payments to its shareholders is being conducted. As there is a large capital gap, the central authorities have given explicit orders that settlements would be made subject to the amount of money on hand. Settlement amounts will not be averaged out among subscribers across the country, but will be based on the amount obtained from liquidating the real assets of individual local branches.

More on New Light Industry, Textile Councils

Light Industry Council Founded

OW0806120293 Beijing XINHUA Domestic Service in Chinese 0751 GMT 8 Jun 93

[By reporter Zhou Liang (0719 0081)]

[Text] Beijing, 8 Jun (XINHUA)—The China National Council of Light Industry was founded today.

Light industry was one of the earliest market-oriented trades established in China, and currently the needs of the overwhelming majority of light industrial goods are basically market regulated. This trade has grown rapidly during the last several decades. For 1992, the trade's output reached 383.1 billion yuan, the amount of profits and taxes it delivered to the state reached 27.1 billion yuan, and its total exports accounted for one-third of that of the whole country, reaching \$26 billion. After the Ministry of Light Industry ceased operations, the China National Council of Light Industry has become a business unit under the State Council's direct jurisdiction, exercising control over the nation's light industrial enterprises. The council's priorities include drawing up plans for light industrial development, carrying out relevant policies, and providing enterprises with macroeconomic guidance and services.

In addressing today's founding ceremony, Yu Zhen, president of the council, said: The China National Council of Light Industry will make great efforts to improve the quality of light industrial goods, draw up plans for light industrial development in various regions, as well as plans for controlling patents, and selectively restructure certain trades. Meanwhile, the council will strive to broaden domestic and foreign markets and

make sure that enterprises are properly restructured, and that the "Regulations Governing the Change of Operating Mechanisms of State-Owned Enterprises" are implemented. He urged all workers in the council to perform their duties faithfully and honestly, go deep into the realities of life, immerse themselves among the masses, spurn undeserved fame, and do more solid work.

Textile Council Begins Business

OW0806120893 Beijing XINHUA Domestic Service in Chinese 0823 GMT 8 Jun 93

[By reporter Li Guangru (2621 0342 5423)]

[Text] Beijing, 8 Jun (XINHUA)—When the red satin was removed to show the signboard for the China National Textile Council this morning, many onlookers followed the event with great interest. The event was an indicator that China is actively looking for a new way to manage different trades during the course of building a socialist market economy.

The decision to replace the Ministry of Textile Industry with the China National Textile Council was made in accordance with a State Council plan for institutional reform—a plan approved by the First Session of the Eighth National People's Congress last spring.

The Ministry of Textile Industry was one of the first four industrial ministries established after the founding of the Republic. During the last four decades or so, the nation's textile workers it led have made historical contributions to New China's development and to the beautification of people's lives. A ministerial-level business unit directly under the State Council and with its authorization, the China National Textile Council exercises control over all textile industries across the country and takes charge of other State Council-authorized businesses. Its priorities include drawing up plans for the textile trade, carrying out relevant policies, providing textile enterprises with macroeconomic guidance and the needed services.

Under the planned economy, various departments exercised control over commodities according to the way these commodities were categorized or classified. The change of the Ministry of Textile Industry as a government organ into a "national council" is an important one, made in conformity with the law governing the socialist market economy. Addressing today's ceremony to unveil the signboard, Wu Wenying, president of the China National Textile Council, said: "Under the new situation, marked by the establishment of a socialist market economic system, the party Central Committee and the State Council require various departments to explore new ways to replace their administrative management with management over different trades. This is a new requirement. We must make greater efforts in studying and applying the theory on establishing a socialist market economic system."

Zou Jiahua, Others at Electronics Ministry Inaugural

HK0906133093 Beijing ZHONGGUO XINWEN SHE
in Chinese 1354 GMT 8 Jun 93

[By reporter Tao Guangxiong (7118 0342 7160): "China Reestablishes Ministry of Electronics Industry"]

[Text] Beijing, 8 Jun (ZHONGGUO XINWEN SHE)—The Ministry of Electronics Industry has been reestablished today, after being dismissed and merged with another for five years.

At today's inauguration ceremony, State Council Vice Premier Zou Jiahua said: The Ministry of Electronics Industry is a functional department under the State Council which is in charge of the nation's electronic industry. This ministry has been reestablished to provide more information for the national economy and accelerate its pace of modernization. He demanded that the electronics industrial departments carry out effective management of the electronics industry in accordance with the demands of the market economy, study this industry's development strategy and objectives, do a good job in planning, work out relevant policies and regulations, and carry out effective management and supervision of state-owned electronics assets.

The State Council has appointed Hu Qili as minister and Liu Jianfeng, Lu Xinkui, Zhang Jinqiang, and Qu Weizhi as vice ministers of electronics industry. Hu Qili, the new minister, along with other members of the new leading body, were interviewed by news reporters for the first time today.

Hu Qili said: The main functions and tasks of the new Ministry of Electronics Industry are: To study development strategy, work out policies and regulations, make overall plans, strengthen management of the military industry, cultivate and establish markets, carry out macroeconomic regulation and control, promote science and technological progress, popularize information services, and support enterprise groups.

In accordance with the principle of streamlining organizations, a department and 10 functional sections and bureaus have been established under the new ministry, which employs a total of 300 staff members.

In 1988, the former Ministry of Electronics Industry was merged with the Ministry of Machine-Building Industry, forming a new Ministry of Machine-Building and Electronics Industry. In March this year, the First Session of the Eighth National People's Congress [NPC] approved the separate establishment of the Ministry of Electronics Industry and the Ministry of Machine-Building Industry.

Zou, Hu Qili Address Ceremony

OW0906130193 Beijing XINHUA Domestic Service in Chinese 0732 GMT 9 Jun 93

[By reporters Gu Honghong (7357 3163 3163) and Yan Wenbin (0917 2429 2430)]

[Text] Beijing, 9 Jun (XINHUA)—Approved by the First Session of the Eighth National People's Congress, the Ministry of Electronics Industry was officially founded in Beijing on 8 June. More than 1,000 people, including Vice Premier Zou Jiahua; State Councillor Li Tieying; and Hu Qili, the newly appointed minister of electronics industry, were present at the founding ceremony.

Speaking on behalf of the State Council, Zou Jiahua congratulated the ministry's founding and gave the new ministry three major assignments. Zou Jiahua said: The establishment of the Ministry of Electronics Industry is based on a major decision made by the CPC Central Committee and the State Council to restructure government organizations, and it is also a major measure taken to accommodate the modernization of China's national economy and defense and to make the new organ and its new management compatible with the development of productive force. The ministry's jobs will be formidable. Its burdens will be heavy and its journey ahead will be long.

Zou Jiahua pointed out: Under the new situation, the Ministry of Electronics Industry should give priority to three projects. 1) It must properly manage the electronics trade according to the requirements set for building a socialist market economic system. The Ministry of Electronics Industry is a department under the State Council with functions for exercising macroeconomic control over electronics enterprises. Thus, all electronics enterprises and establishments—no matter what their affiliation, what their natures may be, or who owns them—are subject to the ministry's macroeconomic control and guidance. The ministry must gear its operations to the electronics trade, count on its support, manage it, and serve it. The ministry must follow the guideline that it should serve all professions and trades of the national economic sector and satisfied their needs of electronics goods. In accordance with the requirements set for national economic development, the Ministry of Electronics Industry must study and draw up its strategy and objectives for the development of the electronics industry, formulate a policy and regulations for developing the electronics trade, draw up comprehensive and rational plans for the electronics trade, and do a good job in managing and supervising state-owned assets of the electronics trade. 2) The ministry must deepen reform and seize the current opportunities to accelerate the development of the electronics industry. While organizing personnel to develop new technologies and new products independently, improve product mix, and broaden the market for electronics goods, the ministry must also open wider to the outside world; broadly carry out international economic and technical cooperation and exchange; and strive to upgrade the industry's technology, quality, and efficiency. 3) The ministry must operate with a new concept and new functions, and it should strive to build itself into a strong institution.

In his speech, Hu Qili clearly outlined the strategy for the development of the electronics industry: "Market-oriented, inside-outside integration, promotion of

domestic growth with outside resources, and accelerated development." Explaining the strategy, Hu Qili said: "Market-oriented" means that when the ministry draws up a plan or finalizes a project, it will first consider the market needs and the returns from its investment, and that its guidance for economic projects will be based on "market" needs and not what the "plan" required, which used to be the case. "Inside-outside integration" means that the ministry will unify the domestic market and the foreign market and let them push each other forward through competition. "Promotion of domestic growth with outside resources" means that the ministry will use foreign market, capital, technology, personnel, and managerial expertise to raise the starting point of the development of China's electronics industry. "Accelerated development" means that the development of the electronics industry, on the basis of achieving higher economic returns, will maintain a growth higher than the average national economic growth.

It was disclosed that the new Ministry of Electronics Industry, which was established on the basis of the major projects to be carried out, its functions for managing the electronics trade, and the principle of streamlining government organs, is a trim organ, with only 10 functional departments and bureaus and one general office, or 11 departments and bureaus fewer than the former Ministry of Electronics Industry; and the ministry has only 300 office workers, or more than 500 fewer than its predecessor.

Hu on Electronics Industry Development

*HK0906105693 Beijing ZHONGGUO XINWEN SHE
in Chinese 1512 GMT 8 Jun 93*

[By reporter Tao Guangxiong (7118 0342 7160): "Hu Qili on Development of China's Electronics Industry"]

[Text] Beijing, 8 Jun (ZHONGGUO XINWEN SHE)—Hu Qili, newly appointed minister of electronics industry, said today that China has taken the electronics industry as a pillar industry for its national economy and that the industry should adopt a correct strategy to speed up its development, thus playing a better role as the technology and equipment department for the national economy and the service department for the people's livelihood.

At today's founding ceremony of the Ministry of Electronics Industry, Hu Qili said that the electronics industry should maintain a higher growth rate than the average growth rate in the national economy, striving to keep the annual output value growth rate above 20 percent, doubling the 1992 output value, and, in 1995, topping the major mark of 200 billion yuan and raising the volume of exports to over \$10 billion. Therefore, it is necessary to adopt the development strategy of "being market-oriented, combining domestic sales with exports, using exports to promote domestic sales, and speeding up development."

Wu Qili said: China's electronics industry has developed to a considerable scale and has considerable strength but, compared with the international level, still faces problems such as backward technological conditions, insufficient economy of scale, and poor adaptability in product variety, quality, prices, and services to the market needs. In particular, because the date for China's return to GATT is drawing near, China's electronics industry is facing the increasing challenge of seeking survival and development in international competition and international division of work.

Wu Qili said: The structural adjustment and reorganization of the international electronics industry has caused the shift of capital, technology, and market to the Pacific rim. China should grasp this opportunity; go all out to make use of the overseas markets, capital, technologies, technical manpower, and management experience; and raise the starting point of the electronics industry's development. Coastal, riverbank, and border areas, the high and new technology development zones, and enterprises with the necessary conditions, should make efforts to develop the electronics industry oriented to the overseas market.

Wu Qili said: The electronics industry will provide advanced electronics equipment and system products for: The development of such basic industries as energy, transportation, and communications; upgrading the information service in the banking and circulation industries; water conservancy projects such as the Three Gorges Project, projects transferring water from the south to the north, and the 10-million-tonne iron and steel complex project which will be carried over into the next century; and for the establishment of a credit card payment system and the state special data communication networks. At the same time, it is also necessary to continuously increase the production and sale of new and "hot" electronics consumer goods.

Wu Qili also stressed: Military electronics is a key technology for winning in modern warfare. It is necessary to carefully organize the development and production of military electronics systems and equipment. At the same time, it is necessary to accelerate technology imports, improve foreign cooperation and exchanges, and enhance and modernize China's military electronics equipment.

Remarks on Creation of Ministry

*OW0906152293 Beijing Central Television Program
One Network in Mandarin 1100 GMT 9 Jun 93*

[From the "National News Hookup" program, with recorded portion]

[Text] The Ministry of Electronics Industry was officially founded in Beijing on 8 June. More than 1,000 people, including Vice Premier Zou Jiahua, State Councillor Li Tieying, and Hu Qili, the newly appointed minister of electronics industry, attended the founding ceremony. [video briefly shows full view of a crowded

meeting hall and then cuts to pan from left to right, showing medium closeups of Zou Jiahua and Hu Qili, and then, from right to left, closeups of Li Tieying and other unidentified officials sitting in the first row of the dais]

Addressing the meeting, Zou Jiahua said: The newly founded Ministry of Electronics Industry must properly manage the electronics trade in accordance with the requirements established for building a socialist market economy. The ministry must open wider to the outside world, widely conduct international economic and technical cooperation and exchanges, and strive to upgrade the industry's technology, quality, and efficiency. The ministry must also operate with a new concept and new functions, and it should build itself into a strong institution. [video shows closeups of Zou Jiahua reading a prepared speech, cutting to show medium closeups of other attendees reading the printed version of Zou's speech]

Delivering a report, Hu Qili stressed that, in order to achieve revitalization, the electronics industry must aim at building itself into a pillar industry of the national economy and strive to achieve a gross output of more than 200 billion yuan in 1995, or doubling that of 1992. [video shows closeups of Hu Qili reading a prepared speech]

After the meeting, Hu Qili granted an interview to our station's reporter. [video shows a reporter holding a microphone, talking to Hu]

[Begin recording] [Reporter] After you were appointed minister of the electronics industry, we were eager to interview you. At that time, however, you could not agree to an interview because you were very busy, and also because the leading body of your ministry was not yet organized. Now, we would like to know what kind of work you were doing at that time.

[Hu Qili] I was primarily trying to familiarize myself with the situation of the Ministry of Electronics Industry. I wanted to study the ministry's restructuring, the placement of personnel, the change of functions, and the establishment of a new ministry. I worked hard in this regard.

The Ministry of Electronics Industry is an entirely new field for me. I had few contacts with businesses in this field. I used to study machine-building, and, therefore, the electronics industry was alien to me. In fact, you could say that my situation was one of an old soldier carrying out new assignments [lao bing xin zhuan].

Now that I have started working in this new field, I need to conduct investigations and studies, humbly learn various situations, and slowly familiarize myself with this industry. Thanks to help from my colleagues and support from various sectors, the organization of the new Ministry of Electronics Industry is gradually moving on the right track. [end recording]

Shandong Power Industry To Try Shareholding

SK0706093793 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 6 Jun 93

[Text] The meeting to coordinate the organization and construction of a power generation and supply joint stock company, limited, in Shandong which was jointly held by the Ministry of Power Industry and the provincial government ended in Qingdao city on 5 June. Zha Keming and Lu Yanchang, vice ministers of power industry; Chen Jianguo, vice provincial governor; and responsible comrades of the state and the provincial departments concerned and of some cities and prefectures, a total of more than 140 people attended the meeting.

The meeting participants believed that in order to invigorate the economy, we must extraordinarily develop power industry. To achieve this, we must follow the path of promoting the shareholding system. In order to accelerate the development of the power industry, the state has decided to experiment with the power industrial shareholding system in our province in an effort to create new experiences in developing power industry in our country.

The provincial party committee and the provincial government have attached great attention to this. Jiang Chunyun, secretary of the provincial party committee, specifically listened to briefings before the convocation of the meeting and pointed out: We absolutely support the state experimenting with the shareholding system in Shandong. This is a major affair and a good one. Implementing the shareholding system in the power industrial enterprises is an important reform and an important channel for raising funds. Successfully carrying out this work is conducive to optimizing the disposition of natural resources, changing the operational mechanism of power industrial enterprises, and accelerating the development of power industrial work. Therefore, we must successfully carry out this good affair.

During the meeting, the participants aired their views freely and offered many constructive opinions on how to successfully carry out the shareholding system in our province's power industry.

Zha Keming, Lu Yanchang, Chen Jianguo, and other leading comrades also gave speeches at the meeting.

May Oil Production Grows; Oil Exports Decrease

OW0806070293 Beijing XINHUA in English 0643
GMT 8 Jun 93

[Text] Beijing, June 8 (XINHUA)—China produced 11.89 million tons of crude oil last month, 160,000 tons more than the planned quota, according to the China Oil and Gas Corporation here today.

During the first five months of this year, the country turned out a total of 57.35 million tons of crude oil, a figure that is slightly higher than the same period last year.

Latest statistics from the corporation show that petroleum production in major oilfields had maintained growth momentum since the beginning of this year.

In May, Daqing, China's biggest oilfield, produced over 4.743 million tons of crude oil, while Shengli, the country's second largest oilfield, turned out 2.796 million tons.

In the first five months of this year, China produced 6.329 billion cubic meters of natural gas, 300 million cubic meters more than the same period last year.

Meanwhile, China pumped 12 billion yuan (over two billion U.S. dollars) into fixed assets in the petroleum sector during the first five months of this year, adding an annual crude oil production capacity of 1.5 million tons.

However, China's crude oil export continued to decline in May due to rising domestic demand in line with the growth of the economy. Last month, crude oil export was 80,000 tons short of the planned quota.

Ministry Plans Upgraded Food Hygiene Inspection

OW0706132993 Beijing XINHUA in English 1256 GMT 7 Jun 93

[Text] Beijing, June 7 (XINHUA)—China will make more efforts to strengthen inspection of food hygiene, said an official from the Ministry of Public Health here today.

It will further amplify rules and regulations on food inspection and regularly publish the status of food hygiene so as to improve food quality in the country, said the official.

Since China's food hygiene law was put into effect in 1983, great progress has been made in food inspection, the official said.

So far, China has issued more than 80 regulations on food hygiene and 315 food hygiene standards. With some 30,000 full-time supervisors, nearly 3,500 organizations for the inspection of food hygiene have been set up in the country.

The official said food inspection organizations at different levels have issued more than 10 million hygiene certificates on food products during the past four years. Meanwhile, over 30 million people who are engaged in food production and management have received health checkups and more than 98 percent of the people with diseases harmful to food hygiene have been removed from their posts.

The official said China has also strengthened inspection of import food products in recent years. All of its ports

have set up food import inspection stations. In 1992, 98.14 percent of the imported food products were up to hygiene standards.

However, inspection of foods sold at outdoor stalls should be strengthened and illegal activities in food production and processing still exist, said the official.

China will severely punish those food producers and traders who act against the Food Hygiene Law, the official said.

He called for local governments to appropriate more funds for food inspection and make more efforts to spread knowledge on food hygiene among the public.

State Issues Circular on Silkworm Production

OW0706041393 Beijing XINHUA Domestic Service in Chinese 2133 GMT 27 May 93

[Text] Beijing, 27 May (XINHUA)— With a view to stabilizing good order in silkworm cocoons procurement, protecting silkworm farmers's interests, and ensuring a steady growth of China's silk exports, the State Council General Office issued a circular recently urging localities to make continued efforts in strengthening administration in silkworm cocoons procurement.

The State Council General Office's circular points out: The procurement of silkworm cocoons this year will still be under the unified administration of the China National Silk Import and Export Corporation [CNSIEC] and its branches in the provinces (including autonomous regions and municipalities directly under the central government) and cities with provincial-level decision-making authority. The procurement price of mulberry and fresh cocoons should be set in strict accordance with the "Circular on the Procurement Prices of Mulberry and Silkworm Cocoons for 1993" issued by the State Administration of Commodity Prices.

The procurement of silkworm cocoons should be handled by silk companies and mills in the prefectures, cities, and counties designated by the CNSIEC branches. Supply and marketing cooperatives and other qualified enterprises may also be designated as procurement agents.

The State Council General Office's circular urges the provinces (including autonomous regions and municipalities directly under the central government) and cities with provincial-level decisionmaking authority to implement the silkworm cocoons production policy of "consolidation, upgrading, and steady development"; pay attention to bringing about a coordinated development in production, supply, and marketing; stress the improvement of quality, per-unit output, and efficiency in silkworm cocoons production; and prevent reckless growth.

State Launches Plan To Clean Up Rural Industry

HK0906081093 Beijing CHINA DAILY in English
9 Jun 93 p 2

[By staff reporter Wang Yonghong: "State Launches Plan To Clean Up Rural Industry"]

[Text] China has decided to strengthen the management of its mushrooming rural industry, an agricultural official said at the weekend.

The move aims to curb the severe environmental pollution in the country's vast rural areas.

"Those resource-wasting or polluting industrial projects which are hard to control will not be given a licence for operation," said Huang Haiguang, director-general of the Bureau of Township Enterprise Management under the Ministry of Agriculture.

Actions

And existing enterprises which devastate resources or cause serious pollution will be closed or forced to change, he added.

Rural industry has been developing faster than all other sectors of the country in the past decade, said Huang.

But it had to obey all the environmental controls.

Since the policies of reform and openness began, township enterprises have mushroomed all over China.

They have become pillars of local economic development components of the national economy.

Last year, the output value of the country's 20-odd million rural enterprises totalled 1.65 trillion yuan (\$275 billion). That amounted to about 30 percent of the country's output and 60 percent of total gross output in rural areas.

It is expected that the total output value yielded by rural industry will scale 2.6 trillion yuan (\$433 billion) by 2000.

But while development brings great wealth to rural areas, Huang added, there is a price to pay.

For as in other countries, industry has also produced pollution.

And although rural industry is contributing only a small part of the problem in China, the volume is increasing following the rapid expansion of enterprises, said Huang.

And the enterprises are growing both in number and in size, which is seriously and directly contaminating agriculture.

Wastes

According to the latest survey, about 1.83 billion tons of sewage, 1.22 trillion cubic metres of waste gas, and 115 million tons of residues are created by rural industry every year.

The figures account for 10 percent of the country's total volume.

The survey shows most pollutants come from industries such as paper-making, electroplating, printing and dyeing, tanning, brick-making cement-making, and coking and smelting or refining of other materials.

In order to curb the increasing environmental deterioration, the Ministry of Agriculture recently mapped out the Programme of Action of Environmental Protection for Rural Industry before 2000.

The plan details the measures needed to protect the environment, said Huang.

It includes laws and regulations, and a preliminary legal system, a national information system and a management network to be established to protect the rural areas up to the year 2000.

All major pollutant-producing industries will be required to have advanced pollution-control technology and seriously-contaminated areas will have been brought under control by then.

Meanwhile, the plan provides for pilot ecological projects in industry and agriculture to be established.

Minority Areas See 'Big Surge' in Development

OW1006084593 Beijing XINHUA in English 0823
GMT 10 Jun 93

[Text] Xian, June 10 (XINHUA)—China's ethnic minority regions have reported a big surge in their border trade as well as in their economic development since the beginning of 1992,

These regions include Xinjiang, Tibet, Ningxia, Inner Mongolia and Guangxi Autonomous Regions, and Yunnan, Guizhou and Qinghai Provinces, which take up 64.5 percent of the country's total landscape.

According to incomplete statistics, their total foreign trade volume hit 2.9 billion U.S. dollars in 1992, up by 23 percent over the previous year.

Last year, they also utilized 500 million U.S. dollars of foreign funds, doubling the combined total for the previous 14 years.

The Xinjiang Uygur Autonomous Region achieved a record 300 million U.S. dollars in two-way border trade in 1992, 42.7 percent of the region's total import and export volume

Yunnan Province, bordering Myanmar [Burma], Vietnam and other Southeast Asian countries, made 350

million U.S. dollars from exports in border trade in 1992, up 43.3 percent from the previous year.

These successes were made following the decision of the central government to open the border regions to the outside world. The opening policy has also promoted the minority regions to develop foreign economic cooperation and technological exchanges.

In 1992, the Guangxi Zhuang Autonomous Region set up 1,385 joint ventures with overseas partners and the total contracted investment reached 2.78 billion U.S. dollars.

Yunnan and Xinjiang set up more than 200 and 164 Sino-foreign joint ventures. Xinjiang set up more than 200 such joint ventures. Ningxia also set up more than 80 joint ventures.

In 1992, the gross domestic product of the eight provinces and autonomous regions stood at more than 299 billion yuan (52.2 billion U.S. dollars), an 11.4 percent increase over the previous year.

The high growth momentum still persists in the first few months of this year. Many infrastructural projects have started, particularly in the field of communications, which are expected to lay a good foundation for further economic development of these regions.

Chen Junsheng Addresses Poverty Alleviation Group

OW1006034993 Beijing XINHUA in English 0316 GMT 10 Jun 93

[Text] Beijing, June 10 (XINHUA)—The China Association for Poverty Alleviation and Development was founded in Beijing yesterday.

The association, composed mainly of some enterprises, is aimed to promote cooperation between east and west China and set up economic entities so as to help poor areas in central and west China to escape poverty.

Chinese State Councillor Chen Junsheng made a speech at the founding ceremony of the association. He said that reform and opening to the outside world have brought about great changes in western parts of China.

However, he said, there still exist wide gaps between the economically underdeveloped central and western areas and the developed eastern and coastal areas in the country.

In some rural areas, there are still farmers who do not have enough to eat and wear, Chen said.

Besides government aid, he said, it is necessary to mobilize various sources in the society to support the help-the-poor and development program in the areas.

He urged the association to expand mutually beneficial cooperation between the eastern and western areas by making use of the abundant natural resources in the inland areas.

Xiang Nan, president of the association, stressed that the association will work closely with the China Poverty Alleviation Fund to collect more funds to help the poor areas develop economy, culture, education, public health and environmental protection.

Chen Junsheng Speaks on Flood Control Tasks

OW1006024893 Beijing XINHUA Domestic Service in Chinese 1107 GMT 31 May 93

[By reporter Lu Yongjian (7773 3057 1696)]

[Text] Beijing, 31 May (XINHUA)—The State Flood Control and Drought Relief Headquarters [SFCDRH] held its first meeting in 1993 today. Chen Junsheng, state councillor and head of the SFCDRH, urged all localities to overcome the idea of leaving things to luck, heighten their vigilance, make ample provisions for fighting possible disastrous floods, and, in particular, implement the flood control responsibility system with administrative chiefs at the core assuming responsibility. He stressed that new leaders of new governments at all levels must familiarize themselves with flood control work and implement flood control and antidrought measures at an early date to score an all-around victory in this year's flood- and drought-related work.

Chen Junsheng said: Compared with previous years, there are some prominent new situations, new characteristics, and new problems in this year's flood control work. First, what with new governments being elected at all levels this year and institutional reform, there have been a lot of personnel changes and more new leaders who are uninformed about the flood control situation and lack experience in directing flood control operations. Second, localities engrossed in economic development and construction of economic and technological development zones are liable to overlook flood prevention and related safety work. Some localities are absorbed in development to the extent of creating artificial obstacles to flood control work. Third, a funding shortage worse than in previous years and a sharp rise in the price of flood control materials have made our flood control input even more inadequate. Fourth, because many able-bodied young and middle-aged people in the countryside have left home in search of employment, it is quite difficult to organize teams to deal with flood emergencies. These new situations could become hidden dangers in case of a major flood; government and departments at all levels must take them seriously.

Chen Junsheng emphasized: Experience shows that the system of assigning administrative chiefs to assume responsibility for flood control is key to successfully executing flood control work. This year, new governments at all levels from the top downwards have been elected, and a large number of comrades in their prime

have assumed leadership responsibilities in flood control and disaster relief work. It is hoped that they will lose no time in familiarizing themselves with flood control matters, learn the art of exercising command and control, and assume their posts and responsibilities as quickly as possible. We must strengthen and reorganize flood control and drought relief headquarters at all levels and assign administrative chiefs to assume responsibilities. Flood control departments can only be strengthened, not weakened or abolished, in the course of institutional reform. Moreover, we should establish regular, standard, and scientifically sound procedures for flood prevention work; introduce a system of technical responsibilities for flood control work; and implement a responsibility system for the safety of key flood control projects. He said: Localities across the nation are entering the high-water season one after another. We should make use of the limited time before a devastating flood arrives to carry out pre-flood season inspections and make other preparations against floods in an earnest and responsible manner. After this meeting, the SFCDRH will organize inspection groups to conduct pre-flood season checkups of the Huang He, Huai He, and Hai He valleys. Meanwhile, we must pay attention to both flood prevention and disaster relief. He emphasized: Flood control and disaster relief are public welfare undertakings. Member SFCDRH units and relevant departments should unite as one and work in close coordination so that they can fight as an integrated unit. Flood control involves upper and lower reaches and the left and right banks; therefore, we must draw up a unified plan with due consideration for all concerned and exercise centralized leadership and command.

Correction to Official on 'Excessive' Growth

HK1006064593

The following correction pertains to the item headlined "Official on 'Excessive Industrial Growth,'" published in the Economic & Agricultural section of the 9 June China DAILY REPORT, pages 25-26:

Page 25, second column, second paragraph of item, only sentence, make read: ...latest statistics, May saw a 27.3 percent greater industrial growth than the same.... (providing dropped figure)

Same page and column, partial paragraph at bottom of column, first sentence, make read: ...at a greater rate than before. In May, the gross industrial.... (providing dropped phrase)

Page 26, first column, partial paragraph at top of column, from first line, make read: ...month last year and 1.3 percentage points higher than.... (changing wording)

Same column, first full paragraph, from second sentence, make read: ...was 29.4 percent higher than the corresponding month last year and 2.1 percentage points higher than the growth rate of output value for the same month. Out of every 1,000 state-owned enterprises, 185 operated at a loss, representing a decrease of 2.4 percentage points. [new paragraph]

In May, the economic growth.... (changing wording)

Same column, second full paragraph, last sentence, make read: ...and Xinjiang were 2 to 8 percentage points higher than last month.... (changing wording)

East Region

Article Urges Accelerating Anhui's Economy

OW0806104493 Hefei ANHUI RIBAO in Chinese 19 May 93 p 1

[Unattributed article: "Seize Opportunities To Revitalize Anhui's Economy"]

[Text] The recently concluded ninth plenary (enlarged) session of the fifth provincial CPC committee discussed the main topic of seizing opportunities to accelerate the pace of economic development in a bid to achieve a relatively comfortable standard of living at an early date. Central to this task facing the people across the province is how to conscientiously carry out the spirit of this meeting.

To accelerate economic development, party and government leaders at all levels should first heighten their awareness of opportunities. They should be aware of the fact that good opportunities for great development are rare. Such opportunities are really hard to come by, especially for a province like Anhui. Golden opportunities, once neglected, are lost. Both current international and domestic situations are very favorable for us to accelerate economic development. In a large province like ours—whose economy is mainly based on agriculture and whose natural resources are in ample supply—the change from a planned economy to a market economy has provided us ample opportunity to display our ability. The entire country has enjoyed a booming economy, especially since the 14th National CPC Congress, and the national drive toward reform and opening up to the outside world has expanded from coastal areas to areas along the Changjiang and inland. This has provided an extremely rare opportunity for an inland province such as ours to invigorate our economy. Opportunities knock but once. It is imperative for leading comrades of the party and government at all levels to enhance their sense of the times and their sense of urgency. They should lose no time in improving our economy by seizing all available opportunities and should try every possible means to catch the "next bus." This is a responsibility entrusted by history and a strong aspiration shared by the 58 million people of Anhui.

To accelerate the economy, we should both emancipate the mind and seek truth from facts. In stressing the speed of economic development, we should take actual conditions into consideration. While trying our best, we should act according to our ability. Economic development is restricted and affected by many factors. If we ignore subjective and objective conditions and simply interpret the expression of seizing opportunities by the forelock through building more construction projects, setting up more establishments, vying for fast economic growth rates, and recklessly fulfilling quotas—or, even worse, through following the fashion, practicing formalism, and compiling impressive statistics to the

neglect of practical results—we will only end up obtaining the opposite of what we want because hastiness impedes progress.

In accelerating economic development, we should also stress the importance of finding out and resolving, in a timely fashion, various contradictions and problems that have occurred in economic operations. In the absence of an effective and objective control system and a standardized socialist market system, some deep-seated contradictions have yet to be resolved. As far as economic operations in our province are concerned, the following problems prevail across the province: fund shortages, quick monetary circulation, slow withdrawal of currency from circulation, inadequate transportation capacity, price hikes, sharp structural contradictions, financial difficulties, and low incomes for peasants. Failure to take effective measures to resolve these problems will affect sustained, high-speed economic growth.

We can only resolve problems that occur in the course of progress by deepening reforms. All localities should take further actions to implement the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" in a bid to accelerate the change of operating mechanisms in enterprises. They should make great efforts to reform financial, taxation, and banking systems, and should cultivate markets of all kinds, particularly those for production factors. They should strengthen macroeconomic control, and establish a reserve system and a price stabilization fund, so as to enhance the government's ability to intervene in the market through economic means.

In invigorating Anhui's economy, we should pay attention to both reform and economic development. We should speed up industrial restructuring and continue to carry out preferential policies toward investments in basic industries. We should make great efforts to develop tertiary industries. We should boldly develop the private sector of the economy. We should pay attention to integrating scientific and technological progress with economic development. Rural areas represent both key areas and knotty points in the provincial drive toward achieving a relatively comfortable standard of living. We should exert all-out efforts to promote the high-speed growth of village and town enterprises. We should energetically develop a highly efficient type of agriculture that provides greater and better yields. We should do a good job in building the province's first group of 2,000 demonstration villages to speed up the pace of achieving a relatively comfortable standard of living in the countryside.

We should open wider to the outside world. Facts show that whichever place has opened wider to the outside world earlier than others enjoys better economic conditions. Despite the fact that our province has opened wider to the outside world in the past two years, our export-generated foreign exchange reserves still account for a relatively small share of the gross provincial product. This makes it all the more urgent to open wider

to the outside world. We should achieve new breakthroughs in earning foreign exchange, utilizing foreign funds, and building development zones, and should enter the international market without delay.

We have only seven years in which to attain our goal of achieving a relatively comfortable living standard by the end of this century. The situation is pressing because time and tide wait for no one. Let us close ranks and seize these golden opportunities to develop the economy with an indomitable and hard-working spirit to help Anhui achieve a higher economic level and to enable people across the province to enjoy a relatively comfortable standard of living at an early date.

Anhui Opens High Technology Commercial Market

OW0806104793 Beijing XINHUA in English 1017
GMT 8 Jun 93

[Text] Hefei, June 8 (XINHUA)—A high technology market for commercializing scientific research achievements is taking shape in Hefei, capital city of east China's Anhui Province.

The Hong Kong-funded high-tech market, flanking the gate of the Chinese University of Science and Technology, will take the form of strict membership instead of running like a loose technology bazaar.

By the end of May, the high-tech market has taken in 95 domestic and overseas member units including research institutes, high-tech enterprises and financial agencies.

Apart from 107 double-storied office buildings for rent, the market will also provide its members with a series of services, including data index, customs declaration, exhibition and sales promotion, public relations and technique consultancy.

The University of Science and Technology, co-sponsor of the market, now has added enthusiasm in applying their research findings in production.

However, this prestigious university is not the only beneficiary of the fledgling market. The provincial capital has many higher learning schools and research institutes. The hi-tech market will find an outlet for their scientific and technological achievements to the market.

Anhui Prepares Against Possibility of Flooding

OW1006080293 Beijing XINHUA in English 0716
GMT 10 Jun 93

[Text] Hefei, June 10 (XINHUA)—Government officials at all levels in east China's Anhui Province have been making preparations against possible floods on the eve of this year's rainy season.

Located in the middle and lower reaches of the Yangtze River and crossed by the Huaihe River, Anhui used to be one of China's flood victims. A major flood two years ago brought huge losses for the province.

As early as in March this year, the provincial government sent six groups headed by the governor or vice governors to inspect dykes, dams, sluice gates and embankments along the Yangtze and Huaihe Rivers.

In addition, the provincial government has allocated a sum of three million yuan to anti-flood preparations.

At present, the provincial anti-flood and anti-drought headquarters has prepared good material supplies and people in the river valleys are on the stand-by for any emergency.

Zone Speeds Development in Jiangsu's Rugao City

OW1006102593 Beijing XINHUA in English 0928
GMT 10 Jun 93

[Text] Nanjing, June 10 (XINHUA)—The economic and technological development district in Rugao city, east China's Jiangsu Province, is accelerating its construction.

Occupying 5.67 square kilometers, the district is located close to the 204 state highway and 12 kilometers to the Rugao Airport. The designated Xinyi-Changxin Railway will run through the western side of the district.

The district is made of two sections: The western section takes up 1.51 square kilometers and the eastern occupying 4.16 square kilometers.

Now there are several key enterprises of the city in the western section while the water and electricity supply systems have been completed for production.

Rugao city has planned to invite electronics and light and textile industry in the section.

In the eastern section, the Nantong Urban Planning Institute has completed its designing work for opening up the section.

According to the Rugao municipal government, the eastern section will be mainly set for foodstuffs, machinery building, chemical industry and building material industry.

Since September 1992 when the development district was set up, 14 overseas enterprises from Japan, France and Hong Kong has set up enterprises in the district and seven other overseas enterprises set up joint ventures.

During the first construction stage, 21 projects have been launched involving more than 61 million yuan.

There are another 35 projects awaiting approval with total investment of 241 million yuan.

Jiangsu Commentary on Shifting Peasants' Burdens*OW0906143293 Nanjing Jiangsu People's Radio Network in Mandarin 2320 GMT 29 May 93*

[Unattributed commentary from the "News Under Wide-Angle Lens" program]

[Text] Party and government departments in all localities currently are seriously concentrating their efforts on reducing peasants' burdens. In this situation, some units and departments have slowly withdrawn their hands from peasants; however, they have concurrently shifted unreasonable burdens previously imposed on peasants to town and township enterprises: various kinds of fund-raising and expense apportionings have increased these enterprises' burdens.

Town and township enterprises are an important pillar of the rural economy, and these enterprises themselves assume the responsibility to lessen peasants' burdens. According to a survey conducted by concerned departments in Suzhou, the per capita fees of various kinds imposed on peasants of the city were 573 yuan last year. In addition to the 134 yuan in taxes that each peasant was required to pay, 73 yuan of the remaining 441 yuan were borne by peasants, while the rest was all borne by town and township enterprises and collective enterprises. Like Suzhou, places that have relatively well-developed town and township enterprises are still capable of bearing such burdens. However, in some localities in northern Jiangsu, where town and township enterprises are not so well developed, increasing enterprises' burdens is bound to affect their development. It should be pointed out that those unreasonable burdens are brazenly shifted to enterprises under the pretense of reducing peasants' burdens. Enterprises can do nothing but comply with whatever these [words indistinct] ask for because they are in control of enterprises. Strictly speaking, increasing town and township enterprises' burdens means increasing peasants' burdens. Therefore, to reduce peasants' burdens, we must go beyond [words indistinct]—all kinds of burdens that run counter to peasants' interests and rural economic development should be discarded or suspended and must not be shifted to enterprises.

Shandong Official Discusses Agricultural Taxes*SK0906113293 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 8 Jun 93*

[Interview with (Bai Jimin), deputy director of the Shandong Provincial Financial Department, by reporter (Guo Yabing) on the policy of collecting grain in lieu of agricultural taxes; place and date not given]

[Text] [(Guo Yabing)] Deputy Director (Bai): This year, the province has changed the method of levying agricultural taxes, from deducting the money to be paid to peasants for grain purchases to collecting grain in kind. Would you please explain the specific situation to us?

[(Bai Jimin)] Yes, as everybody knows, agricultural taxes will be paid in grain. In the past, the broad masses of the peasants in the province enthusiastically handed over patriotic public grain to the state and made great contributions to supporting the construction of the state. Here, I first express thanks to the broad masses of the peasants across the province. In 1985, the province changed the method of deducting the money paid to peasants from grain purchases and started to levy agricultural taxes from the peasants. Now, new changes have taken place in the situation. Our province has decontrolled the grain purchasing and marketing prices. The grain circulation system has been reformed on a large scale. Therefore, according to the relevant policies of the State Council, the provincial government made a decision on carrying out the method of collecting agricultural taxes paid in kind and settling accounts with currency except for the areas where cash crops, forestry, animal husbandry, and sideline occupation are extensively produced. This method has three great advantages: First, continue to use the historical method with which the masses will find it convenient to pay the taxes; second, bring advantages to the state; with this method, the state will be able to manage grain and ensure the demands of the Army and the people; and, third, determine the prices according to the quality. Thus, those who hand over good-quality grain will not suffer losses while those who hand over poor-quality grain will not gain benefits.

[(Guo Yabing)] What grain will the peasants be able to pay in kind besides wheat?

[(Bai Jimin)] Instead of agricultural taxes, the province collects grain in kind with the focus on wheat. Those without wheat to hand over are allowed to give corn.

[(Guo Yabing)] I do not understand whether the people without grain production tasks should hand over agricultural taxes after the province carries out the method of collecting grain in kind.

[(Bai Jimin)] It is necessary to continue to carry out the method of levying agricultural taxes by deducting the money to be paid for grain purchases among the peasants without fixed-quota grain marketing tasks; those whose fixed-quota grain marketing amounts are less than their agricultural taxes; those with difficulties in handing over grain in kind; and the peasants in the areas sown with cash crops, the areas extensively engaged in production of forestry, animal husbandry, and fisheries, and the areas with a strain on grain. These peasants should consciously pay agricultural taxes in currency.

[(Guo Yabing)] Will we add burdens to the peasants when agricultural taxes are paid in grain?

[(Bai Jimin)] It is impossible to add burdens to the peasants by carrying out this method. Over a long period of time, the state has collected agricultural taxes in line with the policy on stabilizing the total figure and giving reasonable burdens. Under this policy, the peasants' agricultural taxes have not increased, although there is an increase in production. Now, the province collects, on

average, six kilograms of grain from each mu of land. Thus, the per capita grain delivery volume is slightly more than 10 kilograms. The burden is extremely light. The standard for calculating agricultural taxes is grain. Last year, taxes from each kilogram of grain were priced 0.57 yuan; and this year, the taxes are priced at 0.68 yuan, an increase of 0.11 yuan from the previous year. Although the price for calculation of taxes rises, the grain production volume still remains the same. Fundamentally speaking, no burdens are added to tax payers. In particular, grain prices have been decontrolled this year. To protect the interests of the peasants, the state has fixed the bottom protective prices for grain purchases. The grain departments collect agricultural taxes from the peasants according to the local market prices but not according to the prices for calculation of the taxes. In reality, the market prices are higher than the prices for calculation of taxes. So, we may say that the peasants' burdens have not been added. The provincial government urges that the localities should collect agricultural taxes strictly in line with regulations but must not increase the peasants' burdens in disguised form.

Shandong Approves Expressway to Hebei

SK0906113193 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 8 Jun 93

[Summary] Construction will soon begin on a high-grade expressway from Jinan to Guantao County of Hebei Province via Liaocheng, approved and listed as a project by the Shandong Provincial Planning Committee. This expressway links with the Jinan-Qingdao Highway in the east and intersects the Beijing-Jiulong Railway Line in the west. It is a state road and will be 147.4 km long. The designed speed will be 100 km per hour. The total investment will be 1.2 billion yuan.

Report on Shanghai's Foreign-Funded Enterprises

OW1006082393 Beijing XINHUA in English 0725 GMT 10 Jun 93

[Text] Shanghai, June 10 (XINHUA)—Foreign-funded enterprises in Shanghai, China's largest economic center, are operating smoothly.

According to a relevant latest statistical report available Wednesday [9 June], the sales income of these foreign-funded enterprises in the first quarter of this year amounted to 7.755 billion yuan, an increase of 32.4 percent over the same period of last year.

As a result of the widening scope of investment for overseas businesspeople in the service trade, about 60 foreign-funded tertiary enterprises opened to business here in the first three months of this year.

The export volume of the foreign-funded enterprises expanded, and the proportion of their exports value in the export volume of the municipality increased.

Shanghai's foreign-funded enterprises exported 361 million U.S. dollars worth of goods during the January-March period of this year, up 59.8 percent on the same period of last year.

The report said that the average profits made by foreign-funded enterprises in the first quarter of this year was more than 5,000 yuan per capita, a rise of 120 percent over the same period of last year, and the value of exports amounted to more than 2,000 U.S. dollars per capita, 56 percent more than same 1992 period.

Shanghai Municipality had approved the establishment of 4,848 foreign-funded enterprises by the end of May this year, involving a direct foreign investment of 10.1 billion U.S. dollars.

Central-South Region

Hubei Secretary Inspects Minority Prefecture

HK1006005293 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 5 Jun 93

[Excerpts] On 25-31 May, Guan Guangfu, secretary of the provincial party committee and chairman of the provincial people's congress, conducted a six-day thorough investigation of the Tujia and Miao Minority Nationalities in Enshi Autonomous Prefecture. During his investigation, Guan Guangfu repeatedly stressed the need to emancipate the mind, seek truth from facts, carry out work courageously and creatively, vigorously develop Enshi Prefecture in a systematic and step-by-step way, and strive to turn Enshi into one of China's advanced prefectures by the end of this century. [passage omitted]

At the end of his investigation trip, Guan Guangfu delivered an important speech at a discussion in Hefeng County held for the principal leading members of the prefecture and affiliated cities and counties. In his speech, Guan Guangfu fully reaffirmed the tremendous accomplishments Enshi Autonomous Prefecture had made during the past 10 years since its founding. He said: Under the guidance of the party's line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee, the cadres and masses of all minority nationalities in Enshi Autonomous Prefecture have given play to the regional autonomy of minority nationalities and their other superiorities, have conducted reform and opening up, and have carried out difficult struggle. As a result, the prefecture has attained a relatively rapid pace of development and has undergone fairly major changes.

It can be said that the entire autonomous prefecture has achieved results in the present stage, which can be seen in the sustained and stable development of the regional economy. During the period from 1993 to 1992 [as heard], the prefecture's gross national product rose from 1.768 billion yuan to 3.144 billion yuan, an increase of 77.84 percent. The total financial revenue of 1992

reached 377 million yuan, an increase of over 300 percent over the 1985 figure of 67,420 yuan. The problem of having insufficient food and clothing has been basically solved, and the population in counties under the poverty line has declined from 2.1 million to 400,000. [passage omitted]

Guan Guangfu said that Enshi Prefecture's achievements have laid a solid foundation for its future development. Enshi Prefecture should focus its efforts on the general objective of making its people rich and bringing them a fairly comfortable life. The prefecture should seize the present favorable opportunities to speed up the pace of development. [passage omitted]

Hubei Governor on Improving Monetary Situation

HK1006005093 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 4 Jun 93

[Text] In the early morning of 2 June, Jia Zhijie, governor; Li Daqiang, (Meng Qingping), (Wang Chengtie), and (Chen Shuiwen), vice governors; (Zhou Xianwei), secretary general of the provincial government General Office, and his deputy (Liu Wenxi); and (Liao Qiming), deputy director of Hubei Provincial Financial Office attended a provincial joint conference on monetary work at the Hubei Branch of the People's Bank of China.

At the meeting, (Liu Tongming), Hubei Branch director of the People's Bank of China, first delivered a report on Hubei's current monetary situation. Then, in light of the actual conditions of each bank, (Dong Shunqing), Hubei Branch deputy director of Industrial and Commercial Bank of China; (Dai Dazhu), Hubei Branch director of the Bank of China; (Ma Wende), Hubei Branch director of the Agricultural Bank of China; (He Guangcan), Hubei Branch director of the People's Construction Bank of China; (Wei Lutong), Hubei Office general manager of the People's Insurance Company of China; (Li Xun), Wuhan City Subbranch head of the Communications Bank of China; (Liu Qingping), Hubei Branch deputy director of the Merchant Bank of China [as heard], analyzed the current monetary situation and existing problems and proposed a number of methods and measures to enliven the monetary market and overcome current difficulties.

All the governors participating in the meeting took notes while listening attentively to the work reports and often interrupted speakers to air their views. Governors and bank directors were sincere with one another at the meeting and tried to discover effective ways to tackle problems. The following are measures that they proposed regarding the settlement of problems currently existing in Hubei's monetary work:

1. It is imperative to try every possible means to raise funds and ease the current tight money supply, continue paying close attention to attracting savings deposits in both urban and rural areas, and constantly increase new [words indistinct]. We need to devote substantial efforts toward boosting savings deposits in rural areas and must

send cadres to rural areas to put an end to the declining savings deposits and further improve our monetary market system. At present, we must focus our attention on completing the issuance of state treasury bonds, giving full play to the inter-bank loan market, and introducing more funds from outside the province and the country.

2. Efforts should be made to impose proper management over and make effective use of existing funds. All localities should make sure they have sufficient funds to deal with savings withdrawals, should ensure capital supply for agricultural products, should ensure [words indistinct] capital for key construction projects, and should ensure loans [words indistinct]. Meanwhile, it is also necessary to reduce the total amount of capital occupied by [words indistinct]; occupied irrationally by finished products, advance charges, and receivable goods; and occupied by losses.

3. Strong measures should be taken to stop the (?external) circulation of capital. [words indistinct]

4. It is necessary to further strengthen the management of capital and put an end to the current chaotic state of capital flow.

5. Efforts should be made to reinforce the management of account settlement, rationalize the account-settling order, and comprehensively set up [words indistinct].

6. Vigorous strides should be taken to organize and spread activities to reach agreement among different institutions in the monetary industry so as to keep tighter control on interest rates and [words indistinct] order, put an end to blind competition, reduce the costs of [words indistinct], and promote continued improvement in the economic efficiency of enterprises.

Governor Jia Zhijie and Vice Governors Li Daqiang, (Meng Qingping), (Wang Chengtie), and (Chen Shuiwen) submitted important speeches at the meeting on Hubei's economic and monetary work.

Jia Zhijie pointed out: At present, the economic development of both our country and province has started down the track of high-speed growth, and Hubei is enjoying a good situation in industrial and agricultural production. We must not lose sight of this general trend and our achievements in work; yet, at the same time, we should keep a sober mind about the current economic and monetary situation, should attach great importance to problems in our work, and should tackle these problems seriously one after another.

Jia Zhijie indicated: The monetary industry is presently faced with many problems and difficulties which are inevitable when a planned economy is turned into a market one. The only way to solve these problems and difficulties also lies with reform. Only by deepening reform, seizing favorable opportunities, and overcoming difficulties can we achieve greater development. We should make good and flexible use of the funds that we

are sure to obtain or have already obtained and should impose proper management over and make sound use of these funds in order of importance and urgency. Governments at all levels should show concern for monetary departments and support their work. The People's Bank should give full play to its role as a central bank, while other banks and monetary institutions should work in unity, support one another, forge ahead with concerted efforts, enliven the monetary market, and accomplish the goal of [words indistinct]

Hubei Issues Circular on State Treasury Bonds

HK1006005493 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 2 Jun 93

[Text] On 31 May, the provincial government issued an urgent circular on ensuring our province's fulfillment of the task of issuing state treasury bonds for 1993.

The circular said: Since the beginning of this year, in order to fulfill the task of issuing state treasury bonds for 1993, various localities and departments have done a great deal of work and have achieved certain results. The pace of issuance is not very good, however. Leading cadres of the various localities and departments concerned must enhance their understanding, attach great importance to the work, and take further measures to speed up the pace of issuance, thus ensuring the fulfillment of the issuing task this year and ensuring the release of funds by July for the redemption of state treasury bonds that come due.

The circular pointed out: As stipulated by the State Council, before fulfilling the task of issuing state treasury bonds and without being authorized by the State Council, no financial institution is allowed to issue enterprise bonds and stocks or to raise funds in any form. Interest rates of company and enterprise bonds and any other securities used for fund-raising purposes must not be higher than that of state treasury bonds issued in the same period. Various localities must attach importance to the overall situation and resolutely implement the above regulations.

The circular issued by the provincial government urges various localities to conscientiously and meticulously map out a plan to fulfill the task and to truly enhance leadership. Those departments concerned with finance, banking, labor, industry and commerce, the postal service, and the press must take concerted actions and make joint efforts to promptly set off a mass upsurge of purchasing state treasury bonds.

North Region

Hebei Governor Lists Higher Development Goals

HK1006023693 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 93 p 10

[By Chris Yeung]

[Text] Hebei, the province where Beijing is located, has set a faster pace of growth in the next decade in its bid to

become an economic power-house. Governor Ye Liansong said the provincial people's congress had recently endorsed a blueprint to rejuvenate the economy by accelerating reform.

The gross national product (GNP) of the province will be quadrupled to a total of 143.5 billion yuan (HK\$193 billion) by the year 1995 and 287 billion yuan by the year 2000. The annual growth rate of GNP has been lifted from eight to 11 percent. Last year, the province's GNP stood at 13 percent.

The province's party secretary, Cheng Weigao, said: "Economically, Hebei is already among the top 10 in the country. But we have to go further, and we have taken measures to realize our new goal." Officials conceded that the province's development had been impeded by conservative thinking. "Compared with the south, we started late in reform and the open door," a senior official said.

It is patriarch Deng Xiaoping who unfettered the set minds of the province following his trip to Guangdong last year. Officials were confident that given their comparative advantages such as natural resources, lower land and labour costs, the economic centre would move towards the north.

Mr Ye said their economy had grown by 14.4 percent in the first four months this year. In spite of severe drought, he said summer grain had not been seriously affected. Less than one million rural population were affected by the shortage of water.

The problem of water supply, he said, had been a major stumbling block of the province's economic growth in the past. Mr Ye said they were determined to solve the problem in a fundamental way by building more water conservancy facilities and pipelines to transport water from the south to the northern province. "In the long-run, it will be beneficial to attract foreign investments by improving our investment environment," he said.

In addition to water supply, Mr Ye said they planned to pump more funds into basic industries such as agriculture, energy resources and construction materials. Port and airport facilities and roads will be built to improve the transport links of the province, he said. The governor said they had fixed the total investment of fixed assets at 30 percent of the total GNP.

"If the percentage is too high, it will put additional strain on money supply. And if it is too low, we will not be able to lay down a strong foundation for sustained economic growth," Mr Ye said.

A senior cadre said: "Our economy has not even been heated up. There's no question of overheating here."

Wang Qun Addresses Inner Mongolian Congress

SK0906124393 Hohhot NEIMENGGU RIBAO in
Chinese 14 May 93 pp 1-2

[Speech by Wang Qun, secretary of the Inner Mongolia Regional CPC Committee and chairman of the regional people's congress standing committee, at the closing ceremony of the First Session of the Eighth Regional People's Congress on 13 May 1993]

[Text] Fellow deputies and comrades:

With the concern of the CPC Central Committee and through the concerted efforts by all deputies, the First Session of the Eighth Inner Mongolia Regional People's Congress has satisfactorily accomplished all predetermined tasks.

The session has taken Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the basic line of the party as the guiding principle, focused the discussion on the issue of grasping favorable opportunities to speed the pace of development, and concentrated energy on handling two great affairs: First, examining, discussing, and approving the regional people's government work report and some other reports; conscientiously reviewing and summing up the work done in the past five years; defining the fighting goals and tasks in the next five years and by the end of this century; and defining a series of major policies and principles governing the development of the overall situation in the autonomous region. Second, is electing the members of the Standing Committee of the Eighth Inner Mongolia Autonomous Regional People's Congress, chairman and vice chairmen of the regional people's government, president of the regional higher people's court, and chief procurator of the regional people's procuratorate; and providing a reliable guarantee for accomplishing the tasks as defined at the session.

During the session, the deputies have proceeded from the fundamental interests of the people of various nationalities; had the sense of high responsibility for being the masters of the country; conscientiously fulfilled the duty entrusted by the Constitution and the law; talked freely of the major issues of reform, opening up, and economic development; drawn on collective wisdom and absorbed all useful ideas; and fully embodied the spirit of democracy, unity, realistic approach, and brave advance. This session is really a meeting to emancipate the mind, seek truth from facts, and work out major plans for Inner Mongolia's reform, opening up, and modernization; a meeting to set the eyes on the future, rouse the fighting will of the people, and concentrate energy on promoting the development of the economy; and a successful meeting to carry forward democracy, enhance unity, and satisfactorily accomplish all items on the agenda of the session. We believe that this session will greatly promote and produce a far-reaching impact on further mobilizing the socialist enthusiasm and creativity of the people of all nationalities; speeding up the region's reform, opening up, and modernization; and

safeguarding the stability of the border areas and the unity between the people of various nationalities.

In the past five years, the seventh regional people's congress and its standing committee have taken the theory on building socialism with Chinese characteristics as the guiding principle; unswervingly implemented the basic line of the party; conscientiously exercised the functions and rights as entrusted by the Constitution and the law; strengthened the setup of the socialist democracy and legal system to persist in and perfect the people's congress system; ensured and promoted the development of the region's reform, opening up, and economic construction; and played a key role and made noticeable achievements in consolidating and safeguarding the political situation characterized by unity and stability. What we should particularly point out is that during their term of office, Comrade Batubagen, chairman of the standing committee of the seventh regional people's congress; and vice chairmen, secretary general, and members of the regional people's congress standing committee have done much work to promote the region's two civilizations; the regional people's congress and its standing committee have made great work achievements; and a good foundation for the work of the eighth regional people's congress has been laid. On behalf of the eighth regional people's congress, I express lofty respects and heartfelt thanks to chairman, vice chairmen, secretary general, and members of the standing committee of the seventh regional people's congress and the deputies to the seventh regional people's congress. I also earnestly hope that the retired comrades will continue to show concern for the region's unity and construction undertakings and to support various regional leading bodies to achieve the work of Inner Mongolia.

This session elected me as chairman of the Standing Committee of the Eighth Inner Mongolia Autonomous Regional People's Congress and elected the eighth regional people's congress standing committee composed of 57 members. This indicates that we are trusted by all deputies and the people of various nationalities across the region. I express heartfelt thanks to them. We should have a sense of high political responsibility and a sense of historical mission, exert all efforts to do the work strictly in line with the Constitution and the law, make new headway in the work of the eighth regional people's congress standing committee, and be worthy of the ardent expectations of the deputies and the people of various nationalities across the region.

The next five years is a key historical period to implement the guidelines of the 14th party congress and set up the socialist market economy as well as an extremely important period to realize the two-stage economic fighting goal by the end of this century. In this historical period, we are confronted with a hard-gained favorable opportunity of development. The tasks ahead of us are glorious and arduous. Based on the people's congress work done in the previous several committees, the eighth autonomous regional people's congress should carry out

its work closely in line with the central link of economic construction; solidly embody the main subject of grasping favorable opportunities to speed up the pace of development; comprehensively fulfill the duty entrusted by the Constitution and the law; regard the work of safeguarding and promoting the region's reform, opening up, and economic construction as the first duty; regard the work of strengthening the setup of socialist democracy and legal system as the fundamental task; promote the setup of the socialist democratic politics; safeguard the stability of the border areas; promote the unity between the people of various nationalities; and make new greater contributions to realizing the economic and social development targets as defined by the regional party committee and to making Inner Mongolia stride into the 21st century with high morale.

Carrying forward the socialist democracy and perfecting the socialist legal system is the long-term fundamental principle of our country. Without democracy, a legal system, or socialism, there would not be socialist modernization. We should further provide a legal basis and guarantee and create a good legal system environment for deepening reform, expanding the scale of opening up, and speeding up the economic development. The regional people's congress and its standing committee should vigorously strengthen the setup of democracy and legal system closely in line with the setup and development of the socialist market economy. We should ceaselessly improve various democratic systems; bring into full play the people's congress' role as the main channel for keeping contacts with the people; guide, protect, and bring into play the enthusiasm of the people of various nationalities in the region for dedicating themselves to the socialist modernization; speed up the pace of local legislation with the spirit of reform; particularly put the economic legislation in the prominently important position; try every possible means to work out a number of local rules and regulations on safeguarding reform and opening up and promoting the setup and development of the socialist market economic system; appropriately work out decisions and resolutions on promoting reform, opening up, and economic development; and firmly attend to formulating the detailed rules for implementation, methods for implementation, and specific regulations that should be worked out by the regional people's congress standing committee according to the regulations as stipulated by the state law so as to ensure that the state laws should effectively be implemented in the region.

Inner Mongolia is a frontier region inhabited by the people of national minorities. So, the local legislation for minority nationalities is an important component part of the region's overall legal system. The central nationalities work conference pointed out that it is necessary to form a comparatively complete system for socialist nationality rules and regulations and a supervision mechanism. Through fruitful achievements, the eighth regional people's congress should positively make

unswerving efforts to fulfill this task of historical significance. To achieve the legislation for minority nationalities, we should give priority to safeguarding the reunification of the motherland and the overall interests of the country and regard the enhancement of the unity between various nationalities, the acceleration of the economic and cultural undertakings in the areas inhabited by the minority nationalities, and the realization of the target of seeking common prosperity for all nationalities as the guiding ideology, the central task, and the fundamental principle. The formulation of the regulations on the exercise of autonomy by the autonomous region and three autonomous banners is the region's important legislation. According to the guidelines of the 14th party congress and the guidelines of the central authorities' instructions on the issue of nationalities, we should firmly attend to formulating regulations on the exercise of autonomy and strive to accomplish the formulation as soon as possible.

Perfecting the supervision mechanism in a step-by-step manner is an important content of setting up socialist democracy and the legal system. The Constitution entrusts the people's congress and its standing committee with an important right to conduct legal supervision over the work of the government, the people's court, and the people's procuratorate at the same level so as to ensure the implementation of the Constitution, the law, and the rules and regulations. The eighth autonomous regional people's congress should continue to attach equal importance to the supervision and examination of the enforcement of laws and the formulation of laws. In the course of shifting to the socialist market economic system, we are objectively required to use law to standardize the rights, obligations, and behavior of the major participants in social and economic activities. Only when we strictly enforce laws and legal systems will we be able to provide conditions and guarantee for the existence and development of the market economy. In line with the central link of economic construction, the autonomous regional people's congress should regularly study the new situation and the new problems occurring in real life; and focus the supervision on ensuring the accurate implementation of the Constitution, the law, and rules and regulations, the making of accurate policy decisions, the effective implementation of policy decisions, and the administrative honesty of state organs and their working personnel. We should examine the enforcement of laws in a well-planned manner and in the order of priority, carefully organize the enforcement of laws, strive to create real efficiency, pay attention to summing up experiences, and ensure that the supervisory work should be standardized and institutionalized in a step-by-step manner.

To achieve the future work and bring into full play the functions of the local organs of state power, we should consciously accept and strengthen the party's leadership over the people's congress work. The CPC is the ruling party. The CPC gained the ruling position by leading the organs of political power. We should firmly foster the

idea about the leadership of the party, and unite the acceptance of the party's leadership with the displaying of the functions of the local organs of state power. Under the leadership of the regional party committee, we should fulfill our duty; positively support the work of the regional government, the regional court, and the regional people's procuratorate with real deeds; and ensure the conscientious implementation of the tasks, principles, and policies as defined at this session.

The regional people's congress and its standing committee should fulfill the duty entrusted by the Constitution and the law and really bring their functions into play. We should put the enhancement of self-construction in a prominently important position and firmly attend to it. The people's congress system is the best form and way through which the people bring into play their role as the master of the country. We should extensively keep close contacts with the people, represent the interests and the will of the people of various nationalities across the region, conscientiously exercise the functions and rights entrusted by the Constitution and the law, and accept the supervision by the masses. We should further strengthen the contacts between the people's congress standing committee and the people's deputies, positively create conditions for deputies to fulfill their duty, and mobilize and help them to suggest ways and means for promoting the development of reform, opening up, the economy, and society. We should persistently implement the principle of democratic centralism, handle affairs strictly according to the regulations and procedures as defined in the law, collectively exercise our functions and rights, and strive to

make the policy decisions democratic and scientific. The regional people's congress standing committee and the working organs subordinate to the committee should strengthen the improvement of ideology and work style and the setup of system; ceaselessly upgrade their working personnel's political and ideological quality and professional ability; advocate the work styles of administrative honesty, concrete work performance, unity, and high efficiency; improve work efficiency; conscientiously exercise functions and duty; and better suit the demands of the new situation of conducting reform, opening up to the outside world, and setting up democracy and the legal system. We should conscientiously accept the instructions by the National People's Congress Standing Committee; continue to strengthen the contacts with brotherly provincial, regional, and municipal people's congress standing committees; and positively keep contacts with the outside world.

Fellow deputies and comrades: Our cause is a great cause to usher in the future. We are full of confidence in the future of Inner Mongolia. Under the leadership of the party Central Committee, we should hold high the banner of building socialism with Chinese characteristics, unite with and mobilize the people of various nationalities, be inspired with enthusiasm, keep forging ahead, work with one heart and soul, wage an arduous struggle, comprehensively fulfill the tasks as defined at this session, and capture a greater victory in Inner Mongolia's reform, opening up, and modernization.

Now, I announce that the first session of the Eighth Inner Mongolia Regional People's Congress has successfully ended.

Jiangsu Officials Apprehend Taiwan 'Spy'

OW0906123293 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 8 Jun 93

[From the "News" program]

[Text] State security authorities in Jiangsu recently cracked a case involving a spy sent by Taiwan's Military Intelligence Bureau. Wu Shuliang, the spy, was apprehended according to law.

Wu Shuliang, a 38-year-old male, used to be a worker in a plant in Wuxi. Later, he became an independent business operator. In late 1985, Wu left the country through illegal means. When he stayed outside the country, he was recruited by the Taiwan Military Intelligence Bureau to join its espionage institution. Taiwan's espionage organ gave Wu special training and gave him a pseudonym and a code name. Then Wu Shuliang was instructed to sneak back into the country to recruit members, gather intelligence, and carry out other espionage activities.

Wu Shuliang's conduct has violated the PRC State Security Law. After securing a great deal of evidence concerning Wu's espionage activities, Wuxi's state security authorities apprehended him according to law. Wu Shuliang has confessed his espionage activities.

The case is under further investigation.

Security Official Comments

OW0906134693 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 8 Jun 93

[Interview with Han Tanyong, spokesman and deputy director of the Jiangsu State Security Department, by station reporter Shen Lilan; place and date not given; from the "News" program—recorded]

[Text] [Shen Lilan] [words indistinct] authorities publicized the case about the spy, Wu Shuliang, sent by Taiwan, saying that Wu violated the PRC State Security Law. Which provision of the law did Wu Shuliang violate?

[Han Tanyong] Wu violated the second clause of Article 4 of the PRC State Security Law, which states: Conduct endangering state security refers to acts of endangering

the security of the People's Republic of China [words indistinct] conducted by organs, institutions or individuals [words indistinct] outside the country, or by other people instigated or financed by them. It also refers to conduct of institutions or individuals at home in collusion with organs or institutions outside the country. Specifically, these acts refer to these five: 1) conspiring to subvert the government, split the country, and overthrow the socialist system; 2) participating in espionage institutions or accepting the missions of these institutions or their agents; 3) stealing, spying, buying, and illegally providing state secrets; 4) instigating, luring, and bribing state personnel to become traitors; and 5) carrying out other sabotage activities that endanger state security. Wu Shuliang joined Taiwan's espionage institutions and accepted their mission. His conduct obviously has violated item two of the second clause of Article 4 of the State Security Law.

[Shen] A recent XINHUA report said that the Beijing State Security Bureau had cracked a spy case. Now the state security organ in Jiangsu has publicized the spy case about Wu Shuliang. Would you please comment on the situation about [words indistinct] struggle?

[Han] Yes. People throughout the country are now dedicating their efforts to reforms, opening to the outside world, and economic construction. State security and social stability are essential for these endeavors. Since the founding of the Republic, however, espionage and intelligence organs and all types of hostile forces outside the country have never ceased carrying out activities that endanger the security of our country. The struggle on the [word indistinct] front has always been sharp and complex. Especially in the situation in which the pace of reform and opening up has accelerated, new situations have appeared in the struggle in this regard. The political infiltration, subversion, division, invasion by means of information, (?publications), and other sabotage activities launched by [word indistinct] intelligence organs and all sorts of hostile forces outside the country have seriously threatened China's reform, openness, and economic construction. Wu Shuliang joined Taiwan's espionage institution when he was overseas, and he also accepted the institution's mission to return to China to recruit members and collect intelligence. To expose and crack down on the sabotage activities carried out by spies is specifically intended to safeguard state security and ensure the smooth development of reform, openness, and economic construction.

Hong Kong

Hu Jintao, Lu Ping Meet Hong Kong Youth Group

OW0906132893 Beijing XINHUA in English 1227
GMT 9 Jun 93

[Text] Beijing, June 9 (XINHUA)—Hu Jintao, Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), said here today that hopes will be placed on the young people.

Meeting with a delegation from the Hong Kong United Youth Association led by its President Fok Chun-wan here this afternoon, Hu said: "Our country's prosperity and strength, the nation's development, as well as long-term stability and prosperity in Hong Kong will depend on the young people."

Hu, also member of the Secretariat of the CPC Central Committee, expressed the hope that the Hong Kong United Youth Association will extensively unite with Hong Kong young people from all walks of life under the banner of loving Hong Kong and their country, and make greater contributions to realizing the reunification of the motherland, maintaining Hong Kong's prosperity and stability and promoting the exchanges and cooperation between Hong Kong and the mainland.

Referring to the Hong Kong issue, Hu said: "After its resumption of exercising sovereignty over Hong Kong in 1997, our country will still resolutely implement the policy of 'one country, two systems'.

"We have full confidence in maintaining Hong Kong's long-term stability and prosperity," he added.

Founded in 1992, the Hong Kong United Youth Association is a youth organization mainly absorbing those young people who love the country and Hong Kong.

The Hong Kong visitors came here for a visit as guests of the All-China Youth Federation. Besides Beijing, they are expected to tour Shandong Province.

Lu Cites UK's 'Tricks'

HK1006034093 Hong Kong WEN WEI PO in Chinese
10 Jun 93 p 11

[Dispatch by trainee reporter Li Hsiao-ping (2621 4562 0393): "Lu Ping Warns the British Side Not To Play With Fire"]

[Text] Beijing, 9 Jun (WEN WEI PO)—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, today pointed out that the British side recently played little tricks [gao xiao dong zuo 2269 1420 0520 0155] one after another, and that this would inevitably obstruct the talks. He warned the British side not to take the Chinese side's sincerity and good will as weakness and proneness to bullying, or it will be doomed to failure.

He stressed that the fifth round of the talks to be held next week will first see whether the British side has sincerity.

Tonight, Lu Ping met with the visiting delegation of the Hong Kong United Youth Association headed by Fok Chun-wan, and he made the above statement on that occasion. He said: Four rounds of the talks between China and the UK on the 1994-95 election arrangements in Hong Kong have been held, and the Chinese side always hopes to make quicker progress in the talks and achieve positive results. Unfortunately, the British side recently played little tricks one after another. First, the Hong Kong Legislative Council adopted the bill on the rules for the Boundary and Election Commission. Second, the Constitutional Group of the Legislative Council decided to discuss Patten's constitutional reform package. Third, British Foreign Office Minister Alastair Goodlad said in Hong Kong that if the understanding reached by China and the UK in their talks is not accepted by the Legislative Council, China and the UK may continue the talks. Lu Ping pointed out: The British side's action of "jumping the gun" [tou bu 0262 2975] will inevitably affect the talks. This is something like in a swimming race, before the starting gun is fired. One person dives into the water, and the other people may also follow suit, and finally everyone has to climb back to the starting point to restart the race. As for Goodlad's remark, Lu Ping said: "This was absolutely unreasonable and was out of keeping with common sense." He said: If the Legislative Council can overthrow what is achieved by the two sides in the talks after painstaking efforts are made, the talks are of no significance at all and are just a waste of time. It was quite improper of Goodlad to say such a thing. Lu Ping said: The fifth round of talks will soon be held. Before the talks, it is necessary to first find out whether the British side still has sincerity and still wants to continue the talks. If it has sincerity, it should behave properly and must not "jump the gun" and play little tricks. If it is going to act according to what Goodlad said, then the talks are unworthy [mei you shen me hao tan 3093 2589 0087 8010 1170 6151].

If the British side regards the three things the Chinese side did recently to benefit the talks as a demonstration of the Chinese side's weakness and compromising, Lu Ping said, then it is totally wrong and such an approach is equal to playing with fire. Lu Ping said: The Chinese side endorsed this year's land allocation plan, endorsed the three franchises straddling 1997, and resumed the meetings of the Airport Committee completely for the sake of Hong Kong's interests, because we hope that Hong Kong can maintain its long-term prosperity and stability. If the British side took this as a concession made by the Chinese side and thus reached the conclusion that it should increase the pressure, then it would have made a totally wrong calculation. Since the founding of the PRC, China has never yielded to anyone in its foreign relations. If Patten made that calculation, he is doomed

to failure. His behavior disregards the interests of Hong Kong people, and will first of all do nothing good for Hong Kong.

Lu Ping reiterated that the Chinese side has sincerity regarding the talks, and the present problem is that the British side has no sincerity. If both sides have sincerity, it will be quite easy to solve the problems. However, if only the Chinese side has sincerity, it will be impossible to solve the problems. He hoped that all parties concerned [da jia 1129 1367] will give consideration to Hong Kong's interests, and will do things beneficial to Hong Kong, and will not do anything unfavorable to Hong Kong.

Lu Ping stressed: If the talks achieve certain results, they must be actually put into practice. Agreements reached in the talks must not be repudiated as in the past. The cooperation between the two sides must be based on mutual trust.

When talking about the new airport project, Lu Ping said that the Chinese side indeed hopes that the airport will be completed before 1 July 1997, and hopes that Patten will be able to return to the UK from Chek Lap Kok Airport. However, he stressed that the British side should also show sincerity and act in accordance with the Memorandum of Understanding [MOU]. He said that the new airport MOU was signed by the government leaders of the two countries, and has binding force for both sides. As long as arrangements are made according to the requirements of the MOU, everything can be solved easily. The Chinese side has adopted a responsible attitude toward the future Hong Kong Special Administrative Region [SAR] Government, and does not want to leave a burdensome situation to the SAR Government. It is hoped that the British side will return to the path prescribed by the MOU.

When asked by the visitors about what Hong Kong compatriots should do in the next four years, Lu Ping said that Hong Kong people should take an active part in the preparatory work in all fields in the transitional period, including the arrangements for the 1994-95 elections. He said: After 1997, "Hong Kong people's self-government" [gang ren zhi gang 3263 0086 3112 3263] will be enacted according to the policy of "one country, two systems." A good foundation for this should be laid now. Therefore, in the next four years, all people [da jia 1129 1367] should jointly make good preparations in all aspects and properly solve various issues in the transitional period. The Eighth National People's Congress adopted a resolution on setting up a preliminary work organ for the establishment of the SAR Preparatory Committee, and this was aimed at ensuring the participation of Hong Kong people in the preparatory work. So we should work intensively in the next four years to jointly create favorable conditions for the establishment of the SAR.

Lu Ping reiterated that he is full of confidence in Hong Kong's future, and remains optimistic. He was also

cautiously optimistic about the Sino-British talks. However, he reiterated that this is not something based on one side's wishful thinking, and the talks will depend on whether the British side has sincerity. He said: No matter whether the talks are successful or unsuccessful, the Chinese side will still be confident that Hong Kong's smooth transition, prosperity, and development will be guaranteed.

Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office, was also present at the meeting.

Editorial: PRC 'Sincerity' Not 'Weakness'

*HK1006130593 Hong Kong WEN WEI PO in Chinese
10 Jun 93 p 2*

[Editorial: "Do Not Take China's Sincerity as a Weakness"]

[Text] When receiving a Hong Kong United Youth Association delegation yesterday, Lu Ping, director of the Hong Kong and Macao Affairs Office, said: China and the UK have held four rounds of talks on the arrangements for Hong Kong's 1994-95 elections. The Chinese side has consistently hoped that the talks would progress more rapidly and yield results. Unfortunately, however, the British side has recently been up to little tricks, doing one thing after another: First, the Legislative Council (Legco) passed the draft Boundary and Election Commissions Bill; second, Legco's constitutional group decided to discuss Patten's constitutional reform package; and, third, Alastair Goodlad, the British Foreign Office minister with special responsibility for Hong Kong, said that any Sino-British agreement could be amended by Legco.

Lu Ping advised the British not to mistake China's sincerity and goodwill for weakness; if they insist on their way, they are doomed to failure. Lu Ping stressed that the first problem to be addressed in the fifth round of talks scheduled for next week would be whether the British side has sincerity.

The two sides have held four rounds of talks. The British side has played for time by raising side issues. The fact that the fifth round of talks still has to settle the problem of whether the British have sincerity shows that the British are still sticking to its "three violations" position and are reluctant to give up Patten's political reform package. The various little tricks they have been playing show that they are trying to blackmail China into making concessions. It is all the more necessary to point out: Goodlad, the British Foreign Office minister with special responsibility for Hong Kong, who came to Hong Kong at this critical moment, has cast a deep shadow over the Sino-British talks by flagrantly encouraging Legco. This calls in question the British side's sincerity in restoring their credibility.

The agreements and understandings reached by sovereign powers are solemn ones. Patten's political reform program was the first serious breach of the agreements

and understandings reached by China and the UK. In the process of talks on the "three conformities," the British side has taken up little tricks again. This is an unmistakable signal that the British side is ready to break faith with China again. It is essential that the British side first show its sincerity and confirm its willingness to act in good faith at the upcoming meeting. Only when the British side is ready to act in good faith will the talks on the arrangements for the 1994/95 elections be worthwhile. What is the use of holding a meeting if the agreement that is reached will not be implemented or will be repudiated by Legco? The rashness of the British minister with special responsibility for Hong Kong can only serve to tarnish the UK's international reputation.

Patten said: The little tricks "will not affect the Sino-British talks. Aren't the talks proceeding in a normal way?" These remarks, which are absurd, were made in a bid to mislead the Hong Kong people. He was simply kidding Hong Kong people as if they were children. In fact, the UK's little tricks have seriously affected the talks, making the Hong Kong public very anxious about the results.

Any Hong Kong citizen wishing to achieve a smooth transition in 1997 and to maintain Hong Kong's long-term prosperity and stability hopes that the Sino-British talks will yield results and—more importantly—that the agreements reached will be carried out. It is for this reason that people are very disgusted with the British side, which "jumped the gun" and did not act in good faith.

As the British side has broken the rules, it must clearly explain whether it still has sincerity. If it has sincerity, it must hold itself responsible for the action taken by Legco on 26 and 31 May, must take remedial measures, must promise that it will not "jump the gun" again, must formally clarify Goodlad's remarks, and must undertake to earnestly carry out the agreements reached at the meeting. If the British side lacks sincerity and even puts on airs—as if to say that "if I lack sincerity, what can you do to me?"—if it continues to act recklessly in this fashion, it must be held responsible for undermining the talks.

If anyone, Patten or Goodlad, thinks that he can create obstacles to or affect the talks by using "microphone diplomacy" to put pressure on the Chinese side and force it to swallow a bitter pill, he has made a miscalculation.

The Chinese side will make no concession on matters of principle. Both the foundation for and results of the talks must fall in line with the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings that have been reached between the two sides. If the two sides reach an agreement, it must be carried out. If the British side is willing to cooperate with the Chinese side, it will certainly contribute to the smooth transfer of Hong Kong's sovereignty in 1997. This complies with the aspirations of the Hong Kong people and the Chinese side and is also beneficial to the British side. Driven by

complete sincerity, the Chinese side is working hard toward this end in the interest of the Hong Kong people. If the British side refuses to act in good faith and cooperate with the Chinese side, it will not floor China. China is fully capable of achieving a smooth transfer of sovereignty in 1997 and maintaining Hong Kong's prosperity and stability after 1997 on its own. Some people are trying to test China's will and capability—or its "water temperature"—by "jumping the gun." Now they have discovered the temperature, which is: The British side must turn over a new leaf and show its sincerity by acting on the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings that have already been reached.

Liaison Group Meetings To Resume Late Jun

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[Text] Hong Kong, June 10 (AFP)—Regular Sino-British talks on Hong Kong's transition to Chinese rule in 1997 are to resume at the end of this month after a six-month hiatus, local radio said Thursday. It would be the first meeting of the Sino-British Joint Liaison Group (JLG) since December, when contacts between the two sides broke down over Governor Chris Patten's electoral reform proposals.

Radio-Television Hong Kong said the decision to resume JLG sessions came during an informal meeting between British and Chinese officials in Hong Kong on Thursday. It follows the resumption of contacts between JLG experts on financing arrangements for Hong Kong's 21 billion U.S. dollar new airport project.

JLG officials were unavailable for comment but the radio quoted a British government spokesman as saying that a formal announcement on the resumption of JLG talks would be made shortly. Set up shortly after the 1984 treaty to return Hong Kong to China in July 1997, the JLG is a diplomatic body tasked with hammering out details of the handover. It normally meets at least three times a year.

Prior to Thursday's announcement, China's top official for Hong Kong affairs denied that Beijing was showing weakness in its political stance on the colony by approving recent economic decisions here. "If people think so, it's a miscalculation and is bound to lead to failure," Lu Ping, director of the Hong Kong and Macao Affairs Office, was quoted as telling a Hong Kong youth delegation in Beijing on Wednesday. Lu was referring to Beijing's endorsement of the granting of franchises, including a pay-TV licence, to Hong Kong companies straddling 1997.

Chinese approval of the franchises was viewed here as heralding possible concessions in the dispute over Patten's plan to extend the electoral franchise in Hong Kong ahead of 1997. His proposals are the topic of marathon talks between Britain and China which enter a fifth round Monday.

Lu accused Britain of "playing tricks" by letting Hong Kong's Legislative Council discuss Patten's proposals while the Sino-British negotiations were still going on. China deems Patten's plans to be in violation of previous Sino-British agreements on the gradual democratization of the territory after 1997.

Local PRC Official on Court of Final Appeal

*HK1006131593 Hong Kong WEN WEI PO in Chinese
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[Report: "Zhu Yucheng Says China Will Deal With the Issue of the Court of Final Appeal According to the Signed Agreement"]

[Text] On a public occasion yesterday, Zhu Yucheng, deputy director of the XINHUA NEWS AGENCY's Hong Kong Branch, reiterated that China will deal with the court of final appeal issue according to the signed agreement, even after 1997. On the eve of the fifth round of Sino-British talks, he further stressed that we should create a good atmosphere, rather than place obstacles to the talks.

While attending the opening ceremony of the Guangdong Economic and Trade Talks yesterday, Zhu Yucheng said that China and the UK had reached an agreement on Hong Kong's Court of Final Appeal. China hopes to follow the agreement.

A reporter asked: If the signed agreement is not implemented before 1997, will China regard it as null and void after 1997 and go its own way? Zhu Yucheng said that the Chinese side wants to implement the signed agreement and follow its provisions.

The fifth round of Sino-British talks will be held in Beijing soon. Zhu said that the Chinese side hopes to create a good atmosphere before the talks and added that the two sides should show sincerity rather than place obstacles to the talks.

When a reporter asked whether the agenda of this month's session of the National People's Congress [NPC] Standing Committee included discussion on establishing the Preliminary Work Organ for the Preparatory Committee of the Hong Kong Special Administrative Region, Zhu Yucheng said that he was not aware that it was and that it is up to the National People's Congress Standing Committee to determine the matter.

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